2020

RÉMY COINTREAU

UNIVERSAL REGISTRATION DOCUMENT

2019/2020

AND ANNUAL FINANCIAL REPORT

CONTENTS

The elements of the annual financial report are identified by the AFR symbol.

RÉMY COINTREAU

2019/2020 UNIVERSAL REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT

The Rémy Cointreau Group is one of the major operators in the global Wine & Spirits market with a portfolio of exceptional brands, which include Rémy Martin and LOUIS XIII cognacs and Cointreau liqueur.
The brands are mostly distributed by a network of subsidiaries established in the Group's various strategic markets.

Rémy Cointreau is listed on Euronext Paris.
The free float represents approximately 42%.
The Rémy Cointreau Group is controlled by the majority shareholder, the Andromède family holding company.

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

"This Universal Registration Document was filed on 30 June 2020 with the French Financial Market Authority (AMF) in its capacity as a competent authority under Regulation (EU) No. 2017/1129, without prior approval, in accordance with Article 9 of said regulation. The Universal Registration Document may be used for the purposes of a public offer of marketable securities or the admission of marketable securities to trading on a regulated market, if it also includes a note on the marketable securities and, as appropriate, a summary and all the amendments made to the Universal Registration Document. All of this was approved by the AMF in accordance with Regulation (EU) No. 2017/1129."

CHAIRMAN'S MESSAGE

MARC HÉRIARD DUBREUIL

2019/2020 was a singular year in more than one respect… like so many years have been for the Rémy Cointreau Group and its Houses, some of which being centuries-old. And it is in these unprecedented moments that the Group knows how to stay calm and stay agile, to prepare to rebound in the best possible way. That is why we are confident that we can emerge from this crisis even stronger, and why we are looking toward the future with ambition – the ambition to become the leader in exceptional spirits.

The 2019/2020 environment was particularly complex worldwide for the Group, as a global economic downturn combined with the threat of import tariffs in the United States and, of course, this unprecedented health crisis, which knocked the wind out of global air traffic and on-premise consumption. For the Group, the major event was the change in its governance, with the departure of Valérie Chaploulaud Floquet and the arrival of Éric Vallat as Chief Executive Officer of Rémy Cointreau.

In spite of this context, our sales held steady at above €1 billion, our profitability remained high at 21.0%, and some of our non-financial targets, such as sustainable agriculture, were met well ahead of schedule. Lastly, we are very proud of the "B-Corp" certification of our Bruichladdich Distillery which recognises its social and environmental performance, alongside some 3,000 companies worldwide.

Along with a new management team, we are setting ourselves new financial and non-financial targets: within 10 years, the refined value strategy should enable the Group to achieve a gross margin of 72% and a current operating margin of 33%. However, it is important to us that this growth is responsible and continues to be based on the principles and values promoted by the Global Compact. Rémy Cointreau is therefore launching its "2025 Sustainable Exception" plan, with three key focus areas: sustainable agriculture, reduced carbon emissions, and ecodesign. Our objectives are clear: by 2025, to guarantee sustainable agriculture in all terroirs involved in crafting our spirits; target 100% ecodesign for our packaging; and gradually reduce our carbon emissions in line with the international ambition of "Net Zero Carbon" by 2050. And lastly, the Group has just formalised its *Raison d'Être*, defining its long-term corporate mission.

In the shorter term, 2020/2021 is expected to unfold in a context that no-one can predict with certainty, but that we expect to see take two tracks. The first half should remain tense, in a situation still marked by the global pandemic and its consequences for all of our major markets. Based on a first quarter, which we estimate to record an organic decrease of about 45%, and a second quarter already showing signs of recovery, but still in moderate decline, our current operating profit could fall by about 45% to 50% at constant exchange rates and scope. However, the second half is expected to benefit from a substantial rebound, one on which the Group is already focusing its full energy and creativity.

I would like to take a moment here to thank all of our employees for their remarkable solidarity, which they have expressed in numerous initiatives to help each other, on every continent, in recent months. I'd like to say how much we admire their responsiveness – their fighting spirit, even – and the community spirit they have demonstrated through their voluntary commitments in their local areas.

Finally, I want to recognise the financial efforts made and shared by everyone in this Group – from employees to members of the Board of Directors – to adapt our cost structure in this context of pressure on sales. Rémy Cointreau's conduct stems from ethics that we are proud to share with our shareholders. I thank them for their confidence and loyalty.

"IT IS IMPORTANT TO US THAT THIS GROWTH IS RESPONSIBLE AND CONTINUES TO BE BASED ON THE PRINCIPLES AND VALUES PROMOTED BY THE GLOBAL COMPACT."

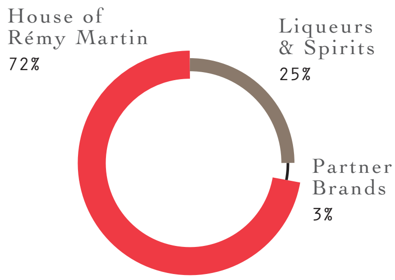
KEY FIGURES

_ FINANCIAL DATA

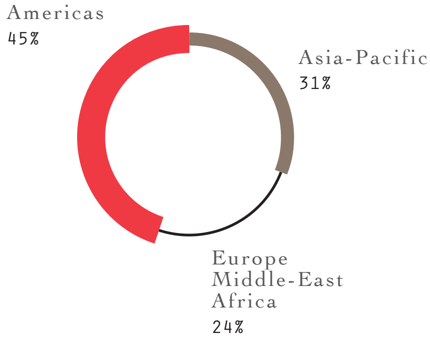
FOR THE PERIOD 1 APRIL 2019 TO 31 MARCH 2020

NET SALES

NET SALES BY DIVISION

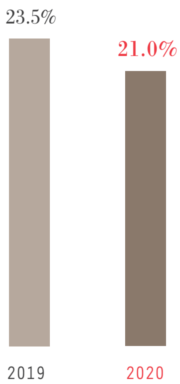


NET SALES BY GEOGRAPHIC AREA



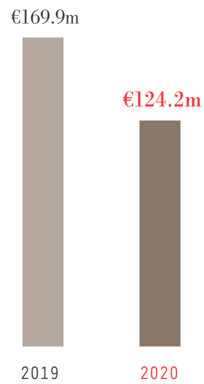
CURRENT OPERATING PROFIT/(LOSS)

CURRENT OPERATING MARGIN

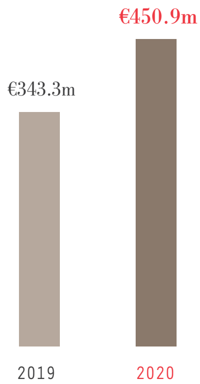


PROFIT (LOSS) FOR THE PERIOD

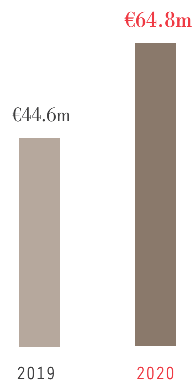
NET PROFIT/(LOSS) EXCLUDING NON-RECURRING ITEMS



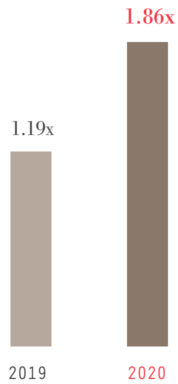
NET FINANCIAL DEBT



CAPITAL EXPENDITURE



RATIO OF NET DEBT/ EBITDA



... AND NON-FINANCIAL DATA

FOR THE PERIOD 1 APRIL 2019 TO 31 MARCH 2020

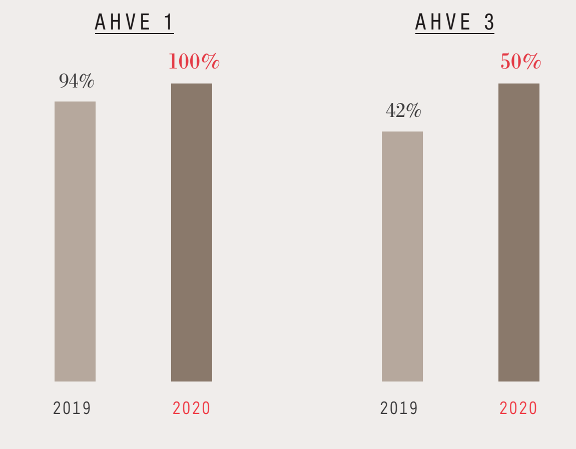
45.5%
Percentage of women managers
(**44%** in 2019)

41 years
Average age of Group employees
(**40 years** in 2019)

31,677
Number of hours training
(**26,615** in 2019)

2.3%
Absenteeism rate (hours of absence per hours worked)
(**2.0%** in 2019)

PERCENTAGE OF AFC COOPERATIVE MEMBERS' LAND USING AN ENVIRONMENTAL APPROACH



Responsible purchasing

86.0%
percentage of suppliers having joined SEDEX*
(**93%** in 2019)

Ethifinance rating

1st
out of 230
(**3rd** out of 230 in 2019)

* *SEDEX: Supplier Ethical Data Exchange.*

IMPACT OF THE COVID-19 PANDEMIC ON THE GROUP

The 2019/2020 year-end was harshly penalised by Covid-19, which the WHO declared a pandemic on 11 March 2020. Asia was affected first, in January 2020, followed by Europe, and finally the Americas, with the closure of on-trade outlets (bars, restaurants, nightclubs, etc.). The collapse of global air traffic also weighed down airport spirits sales.

The Group estimates that the pandemic resulted in shortfalls of €36 million (-3%) in sales and €21 million in Current Operating Profit/(Loss) (-8%) during the 2019/2020 financial year. The consequences of this pandemic are expected to continue to weigh on the Group during the first half of 2020/2021. The Group has accordingly announced that it anticipates an organic downturn of 45% in net sales during the first quarter, followed by a more moderate decline in the second quarter. Consequently, it anticipates an organic decrease of 45%-50% in Current Operating Profit/(Loss) during the first half-year.

As regards CSR, COVID had no impact on environmental or societal indicators in 2019/2020. On the other hand, the 2020/2021 indicators, in particular those on carbon emissions and water consumption, could benefit from the temporary closure, then gradual reopening of all our production sites at the beginning of the financial year.

ABOUT THE GROUP

MAJOR MILESTONES IN THE GROUP'S HISTORY

The Rémy Cointreau Group, whose charentaise origins date back to 1724, is the result of the merger in 1990 of the holding companies of the Hériard Dubreuil and Cointreau families, which controlled E. Rémy Martin & C° SA and Cointreau & Cie SA respectively. It is also the result of successive alliances between companies operating in the same Wines and Spirits business segment.

KEY DATES AND EVENTS

1703
Creation of Mount Gay Rum in Barbados

1724
Establishment of The House of Rémy Martin Cognac

1849
Creation of Cointreau & Cie by the Cointreau brothers

1881
Creation of the Bruichladdich Distillery in Islay

1888
Creation of the Metaxa brand

1924
Acquisition by André Renaud of E. Rémy Martin & C° SA

1965
André Hériard Dubreuil takes over from his-father-in-law, André Renaud

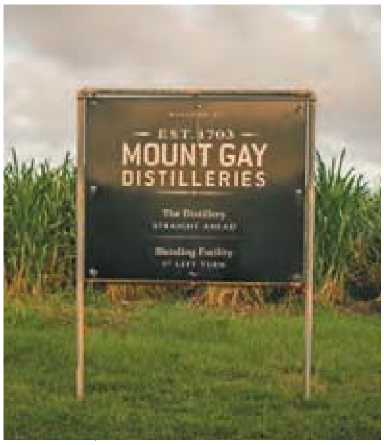
1966
Creation of Rémy Martin's international distribution network

1980
Creation by Rémy Martin of the French-Chinese joint venture Dynasty Winery in partnership with the city of Tianjin (China)

1985
Acquisition by the Rémy Martin Group of Piper-Heidsieck Champagne

1986
Creation of the Passoã brand

1988
Acquisition by the Rémy Martin Group of Charles Heidsieck Champagne



1989
Acquisition by the Rémy Martin Group of Mount Gay Rum

1990
Transfer by Pavis SA of Rémy Martin shares to Cointreau & Cie SA

1991
Adoption by the Group of the corporate name of Rémy Cointreau

RÉMY COINTREAU

2020
30 April: Rémy Cointreau acquires the Cognac house J.R. Brillet

1998
Dominique Hériard Dubreuil becomes Chairman of the Rémy Cointreau Group

1999
Establishment of the Maxxium distribution joint-venture with three partners, the Rémy Cointreau Group, the Edrington Group and Jim Beam Brands Worldwide (Fortune Brands)

2000
Acquisition of Bols Royal Distilleries including, in particular, the Bols and Metaxa brands

2001
Vin & Sprit joins the Maxxium network as its fourth partner

2005
- Initial public offering of Dynasty Fine Wines Group on the Hong Kong Stock Exchange
- Disposal of Bols' Polish operations to CEDC

2006
- Disposal of the Dutch and Italian Liqueurs & Spirits operations
- Decision by Rémy Cointreau to resume full control over its distribution by March 2009

2008
Creation of a proprietary distribution structure

2009
- 30 March: Rémy Cointreau exits the Maxxium distribution joint venture
- 1 April: Rémy Cointreau controls 80% of its distribution

2011
8 July: Rémy Cointreau sells its Champagne division to EPI

2012
- 3 September: acquisition of the Bruichladdich Distillery, which produces single malt whiskies on the isle of Islay in Scotland
- 20 November: François Hériard Dubreuil becomes Chairman of the Rémy Cointreau Group
- 18 December: acquisition of the cognac company Larsen

2013
30 August: disposal of Larsen to the Finnish Altia group

2015
27 October: disposal of Izarra to Spirited Brands 2016

2016
1 December: set-up of a joint-venture for the activities of Passoã

2017
- 5 January: acquisition of The Domaine des Hautes Glaces distillery, which produces single malt whiskies in the French Alps
- 6 January: acquisition of the Westland distillery, which produces single malt whiskies in the state of Washington, US
- 1 October: Marc Hériard Dubreuil becomes Chairman of the Rémy Cointreau Group

2019
1 April: Rémy Cointreau sells its distribution subsidiaries in the Czech Republic and Slovakia

GOVERNANCE THAT ENSURES CONTINUITY AND TRANSMISSION

The Board of Directors

The Rémy Cointreau Group is administered by a Board of Directors which, since September 2004, has adopted a governance structure that separates the roles of Chairman of the Board of Directors and Chief Executive Officer. Competence and experience in the financial arena, the luxury goods sector and the management of large international companies are the selection criteria for Board members. The presence of several members who are permanent residents in various other countries also lends a welcome international and cultural dimension to the Board's work, either because they have performed a role outside of France during their career, or because they hold or have held one or more appointments in non-French companies.

Caroline Bois Hériard Dubreuil *(non-voting member)* – Emmanuel de Geuser – Olivier Jolivet – Laure Hériard Dubreuil – Marc Hériard Dubreuil – Hélène Dubrule – Dominique Hériard Dubreuil – François Hériard Dubreuil – Gisèle Durand – Guylaine Saucier – Bruno Pavlovsky – Elie Hériard Dubreuil *(non-voting member)* – Marie-Amélie Jacquet – Jacques-Étienne de T'Serclaes

Composition of the Board of Directors at 31 March 2020

The Board's membership is organised in order to achieve a balance between experience, skills, independence and ethical behaviour, while respecting in overall terms the balanced representation of women and men on the Board of Directors.

- **12** Board members, **2** non-voting members
- **6** independent Board members (excluding non-voting members)
- **50%** independent Board members (excluding non-voting members)
- **60 YEARS** average age of Board members
- **7.7** average length of service on the Board
- **50%** women (excluding non-voting members)
- **50%** men (excluding non-voting members)
- **2** nationalities represented

Committees of the Board of Directors

Audit-Finance Committee

4 members
75% independent
Guylaine Saucier*
François Hériard Dubreuil
Emmanuel de Geuser*
Jacques-Étienne de T'Serclaes*

Nomination and Remuneration Committee

4 members
50% independent
Bruno Pavlovsky*
Dominique Hériard Dubreuil
Orpar SA Gisèle Durand
Olivier Jolivet*

Corporate Social Responsibility Committee

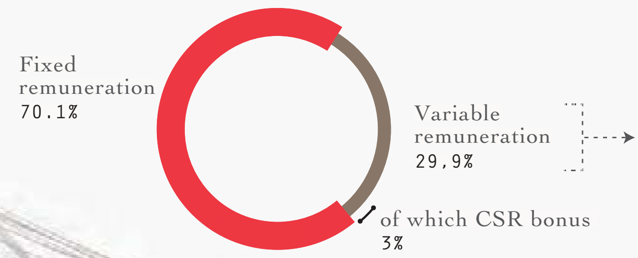
3 members
67% independent
Dominique Hériard Dubreuil
Hélène Dubrule*
Olivier Jolivet*

** Independent Board member.*

Change in Executive Committee during the financial year

Éric Vallat was appointed Chief Executive Officer of the Group on 1 December 2019, following the departure of Valérie Chapoulaud-Floquet. The Executive Committee he heads includes 10 directors of seven different nationalities from a range of backgrounds: spirits, cosmetics, fashion and accessories, and the art of entertaining.

COMPOSITION OF REMUNERATION OF SENIOR MANAGEMENT (EXCLUDING LTIP)



- 50% based on quantitative criteria (current operating profit/(loss), cash flow generation, profit (loss) for the period excluding non-recurring items, ROCE)
- 50% based on qualitative criteria (including one CSR target)

A PORTFOLIO OF EXCEPTIONAL SPIRITS

The French family-controlled Rémy Cointreau Group boasts a portfolio of exceptional world-renowned spirits: Rémy Martin and LOUIS XIII cognacs, Cointreau liqueur, Greek Metaxa spirit, Mount Gay rum, St-Rémy brandy, The Botanist gin, and the single malt whiskies Bruichladdich, Port-Charlotte, Octomore, Westland and Domaine des Hautes Glaces.

During the 2019/2020 financial year, the Group's net sales totalled €1,024.8 million, an organic decrease of 11.2% (of which Group brands accounted for 6.3%), in a complex economic and health environment. The Group's current operating profit totalled €215.1 million with a current operating margin of 21.0%.

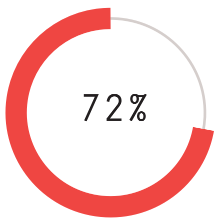
The Rémy Cointreau Group's internal organisation is based on nine brand divisions and four sales divisions (Americas, Europe, Middle-East, Africa, Asia-Pacific and Global Travel Retail). All these divisions receive support from the holding company. Depending on the spirit category, production process and geographic sales distribution, the Group's brands are allocated to one of the following two divisions: "The House of Rémy Martin" or "Liqueurs & Spirits".

Brands which Rémy Cointreau distributes through its network on behalf of third parties form a separate category, "Partner Brands".

Rémy Cointreau's Group Brands

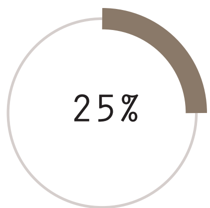
NET SALES BY DIVISION

The House of Rémy Martin:
Rémy Martin
and LOUIS XIII



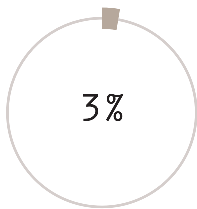
Net sales
€735.5m

Liqueurs & Spirits:
Cointreau, Metaxa, Mount Gay, St-Rémy,
the Botanist and single malt whiskies



Net sales
€261.9m

Partner Brands:
Third-party brands distributed
by the Group



Net sales
€27.5m

HOUSE OF RÉMY MARTIN

House of Rémy Martin brands

The House of Rémy Martin produces a range of cognacs under the Rémy Martin and LOUIS XIII brands. These cognacs are made exclusively from *eaux-de-vie* sourced in Grande Champagne and Petite Champagne, the two leading crus of the Cognac appellation, which offer the greatest ageing potential (more than 100 years, for some Grande Champagne *eaux-de-vie*).

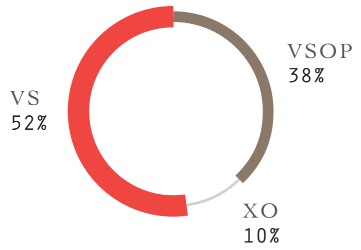
The House of Rémy Martin is thus positioned in the high-end segment, with four flagship products:

- VSOP Fine Champagne;
- The “intermediate” quality products 1738 Accord Royal and CLUB;
- XO Excellence Fine Champagne;
- LOUIS XIII Grande Champagne.

Competitive positioning

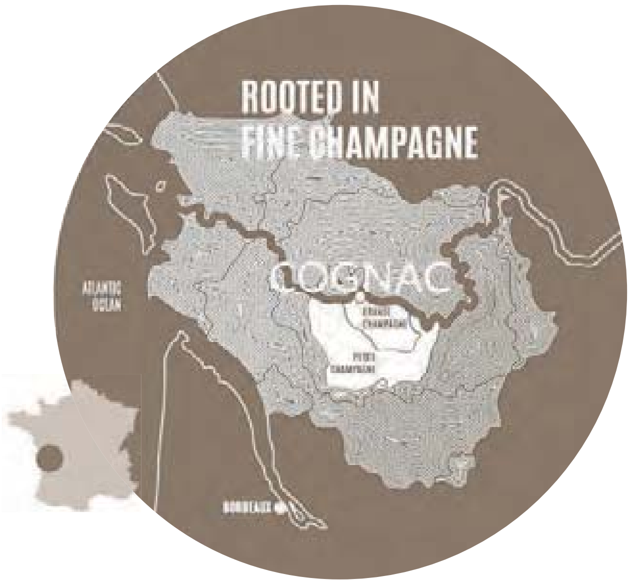
Four Cognac brands share around 85% of the world market by volume and nearly 90% by value (source: IWSR): Hennessy (LVMH), Martell (Pernod Ricard), Rémy Martin (Rémy Cointreau), and Courvoisier (Suntory). Rémy Martin’s market share of cognac shipments for all qualities combined is 12% by volume (source: BNIC March 2020). Rémy Martin makes 99% of its shipments in the QS (Qualité Supérieure) segment, which accounts for 48% of the total cognac market (source: BNIC March 2020). In this superior quality segment, Rémy Cointreau has a market share of 24% by volume (source: BNIC).

GLOBAL COGNAC SHIPMENTS BY QUALITY
(source: BNIC)



Cognac *appellation d’origine contrôlée* and “fine champagne”

Cognac is an *appellation d’origine contrôlée* (AOC) brandy (eaux-de-vie distilled from grapes) that comes from vineyards in the Cognac region (south-west France). The appellation covers six crus: Grande Champagne, Petite Champagne, Borderies, Fins Bois, Bons Bois and Bois Ordinaires. “Fine Champagne”, which refers to a cognac made exclusively from the first two crus, Grande Champagne (at least 50%) and Petite Champagne make up a separate appellation d’origine contrôlée within the Cognac AOC.



Rémy Martin only selects its *eaux-de-vie* from the “Fine Champagne” (Grande Champagne and Petite Champagne) AOC, whose quality is best suited to the production of its superior quality cognacs with their longer ageing potential.

Cognac is a blend of *eaux-de-vie* of different vintages (after ageing in oak barrels). Accordingly, there are several quality levels classified in accordance with legal standards (BNIC) based on the youngest eau-de-vie used:

- VS (“Very Special”), which by law must be aged for a minimum of two years;
- QS (*Qualité Supérieure*), covering all the VSOP and QSS labels;
- VSOP (“Very Superior Old Pale”), which by law must be aged for a minimum of four years;
- QSS (*Qualité Supérieure Supérieure*), which by law must be aged for a minimum of ten years;
- XO (“Extra Old”), which is included in the QSS category.

The House of Rémy Martin and the sourcing of *eaux-de-vie*

All House of Rémy Martin cognacs are produced in and around the town of Cognac, on a site that includes ageing and fermentation cellars, laboratories, a packaging complex, offices and a visitor and reception centre.

The House also owns wine estates (235 hectares of vines eligible for the Cognac appellation), as well as a new distillery in Juillac, which opened in November 2018. However, the stock of Cognac *eaux-de-vie* has been built up largely as a result of exclusive partnerships with Grande and Petite Champagne producers. This partnership policy, introduced in 1966, has enabled the Group to manage its long-term supplies and meet the quality standards required by the House of Rémy Martin.

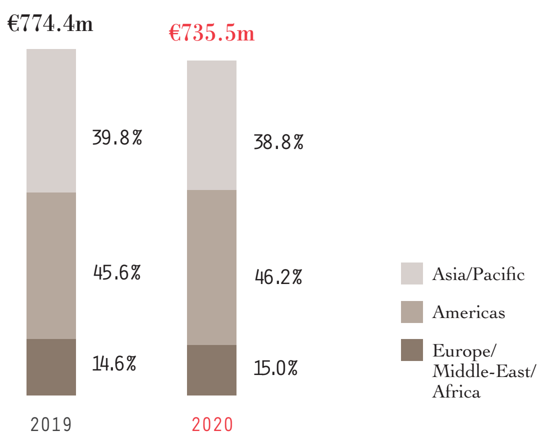
The partnership mainly consists of a cooperative, Alliance Fine Champagne (AFC), whose members manage around 60% of the Grande Champagne and Petite Champagne vineyards, *via* different types of collective and individual long-term agreements.

From an accounting point of view, the commitments made by the House of Rémy Martin through the AFC are fully recognised in the consolidated statement of financial position of the Rémy Cointreau Group, once the *eaux-de-vie* covered by these agreements have been produced and have passed quality control. Any contractual commitments not yet produced are disclosed in off-balance sheet commitments.

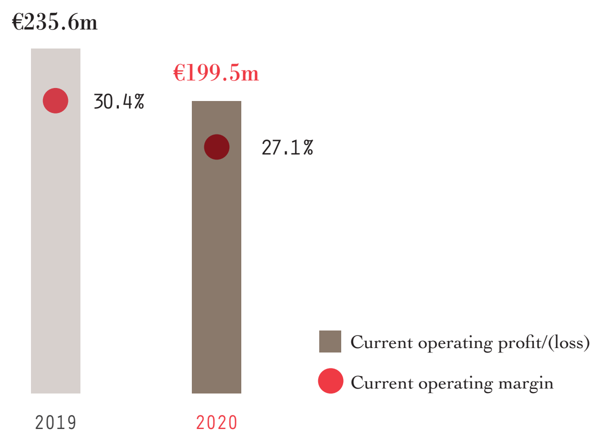
House of Rémy Martin key figures

In 2019/2020, the House of Rémy Martin accounted for 72% of the Group's total net sales and 99% of its international sales. The Americas (46%) and Asia-Pacific (39%) are the division's top contributing regions, but Europe/Middle East/Africa (15%) also offers medium-term growth potential.

NET SALES *(in €m)*
AND BREAKDOWN BY GEOGRAPHIC AREA *(in %)*



CURRENT OPERATING PROFIT/(LOSS) *(in €m)*
AND CURRENT OPERATING MARGIN *(in %)*



LIQUEURS & SPIRITS

Liqueurs & Spirits brands

The Liqueurs & Spirits division is made up of ten spirit brands in categories such as liqueurs, brandy, gin, single malt whisky and rum. Within each category, the spirits have particular characteristics, the main one being that all the brands are produced in their country of origin, often with know-how passed down through generations:

- Cointreau, an orange-peel liqueur;
- Metaxa, a Greek brown spirit, produced from a blend of wine distillates and aged Muscat wine;
- Mount Gay, a rum from Barbados;
- St-Rémy, a French brandy;
- The Botanist, a gin from Islay (Scotland);
- Bruichladdich, Port Charlotte and Octomore, three brands of single malt Scotch whisky from the Isle of Islay (Scotland);
- Domaine des Hautes Glaces and its range of single malt whiskies produced in the heart of the French Alps;
- Westland and its range of single malt whiskies produced in the state of Washington, US.

Competitive positioning

The Liqueurs & Spirits brands operate in a market characterised by a large number of players (of various sizes), with numerous international brands coexisting alongside local brands.

Liqueurs & Spirits: sourcing and production sites

The Group's Liqueurs & Spirits brands do not have significant sourcing or production constraints. Consequently, the Group purchases the necessary ingredients (barley, oranges, aromatics, sugar cane, etc.) for the *eaux-de-vie* distillation process, utilising the specific know-how of each brand. The Group's master distillers and blenders then take care of the ageing and blending of the *eaux-de-vie* as required.

The Rémy Cointreau Group also sub-contracts part of its bottling operations to other companies located abroad, in particular Greece for the production of Metaxa, for all markets. Sub-contracting represents 15% of the total volume of Group brands.

Angers (France)

The production of the Cointreau liqueur and the St-Rémy brandy range is located in St-Barthélémy d'Anjou (on the outskirts of Angers). This site also carries out bottling operations for other Group brands. It comprises distilling facilities, fermentation cellars, laboratories, a packaging complex, offices, a visitor and reception centre.

Trièves (France)

The Domaine des Hautes Glaces, located in the heart of the Trièves region of the Alps, is a mountain farm/distillery which combines French know-how (distilling with traditional Charente stills) and ingredients from local producers. The supplies of barley, rye and spelt (organically grown) come exclusively from growers in the Alps.

Brandons and St Lucy (Barbados)

Mount Gay rum is produced at the distillery of the same name, located close to Mount Gay in the north of the island of Barbados, in the parish of St Lucy. The storage cellars in which the casks of rum are aged are also located at this historic site. Since January 2015, an additional 134 hectares of agricultural land at this site have been devoted to the farming of sugar cane. Mount Gay Distilleries' head office and bottling facilities are located in Brandons, close to the port of Bridgetown in the south of the island.

Isle of Islay (Scotland)

The Bruichladdich distillery is located on the isle of Islay in Scotland, one of the world's most iconic locations for the production of single malt Scotch whiskies.

The production operation (distilling, ageing, bottling) is carried out on the island, on a historic site created in 1881. In March 2018, the acquisition of around 15 hectares of agricultural land was signed. This agricultural land adjoins the distillery, and will mainly be devoted to growing barley and trialling different varieties.

Seattle (USA)

Westland Distillery (US), located in South Downtown Seattle in the state of Washington, gets its malt from producers in the terroirs of the Pacific North-West.

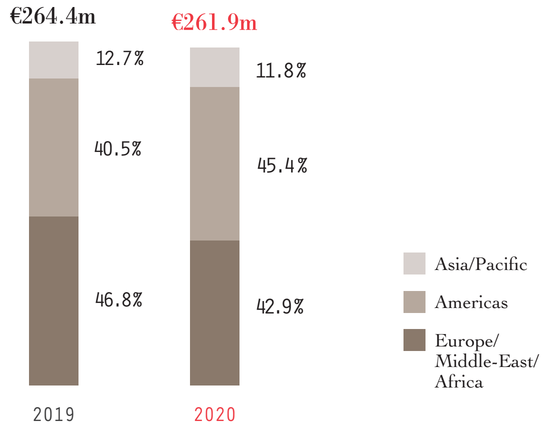
Samos (Greece)

As part of its "terroir" policy, the House of Metaxa acquired a 1.2 hectare wine property on the island of Samos, located at the heart of the island's muscat vineyards. Muscat wine is an essential component in Metaxa's signature taste.

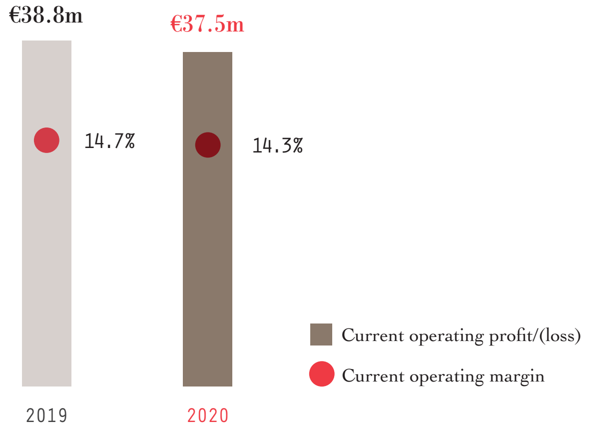
Liqueurs & Spirits key figures

In 2019/2020, the Liqueurs & Spirits division accounted for 25% of the Group's total net sales. The Americas (45%) and Europe/Middle-East/Africa (43%) are the top contributing regions in the division.

NET SALES *(in €m)*
AND BREAKDOWN BY GEOGRAPHIC AREA *(in %)*



CURRENT OPERATING PROFIT/(LOSS) *(in €m)*
AND CURRENT OPERATING MARGIN *(in %)*



PARTNER BRANDS

In 2019/2020, Partner Brands accounted for 3% of the Group's total net sales.

This category includes brands belonging to other operators in the Wines & Spirits sector. These are distributed by Rémy Cointreau under global agreements or agreements limited to a particular country or region.

Following the non-renewal of many distribution agreements in recent years (as part of the Group's move upmarket), the brands still distributed (as of 31 March 2020) are Passoã liqueur and certain spirits of the William Grant & Sons Group.

STRATEGY AND OBJECTIVES

_ AN UNCHANGED AMBITION: TO BECOME THE GLOBAL LEADER IN EXCEPTIONAL SPIRITS

The Spirits market features an extensive number of co-existing local and international brands in a particularly competitive environment.

Against this background, Rémy Cointreau has, for many years, implemented a value creation strategy aimed at developing its upmarket brands in the high-end segments of the global markets, which offer high growth and earnings potential. Over the past 15 years, the implementation of this strategy has led the Group to dispose of brands and other assets deemed less suited to its value creation strategy and to resume full control of its distribution in key markets (exit from Maxxium in April 2009).

With its own distribution network in Asia, the US and in some European countries, Rémy Cointreau controls around 80% of its net sales. The Group is therefore able to implement a pricing and distribution strategy consistent with its high-end positioning.

Since 2015, the Group has accelerated its strategy of moving upmarket so as to differentiate itself and emphasise its uniqueness: ultimately, the Group's ambition is to become the world leader in exceptional spirits.

_ EXCEPTIONAL SPIRITS ENJOY AN ATTRACTIVE DYNAMIC

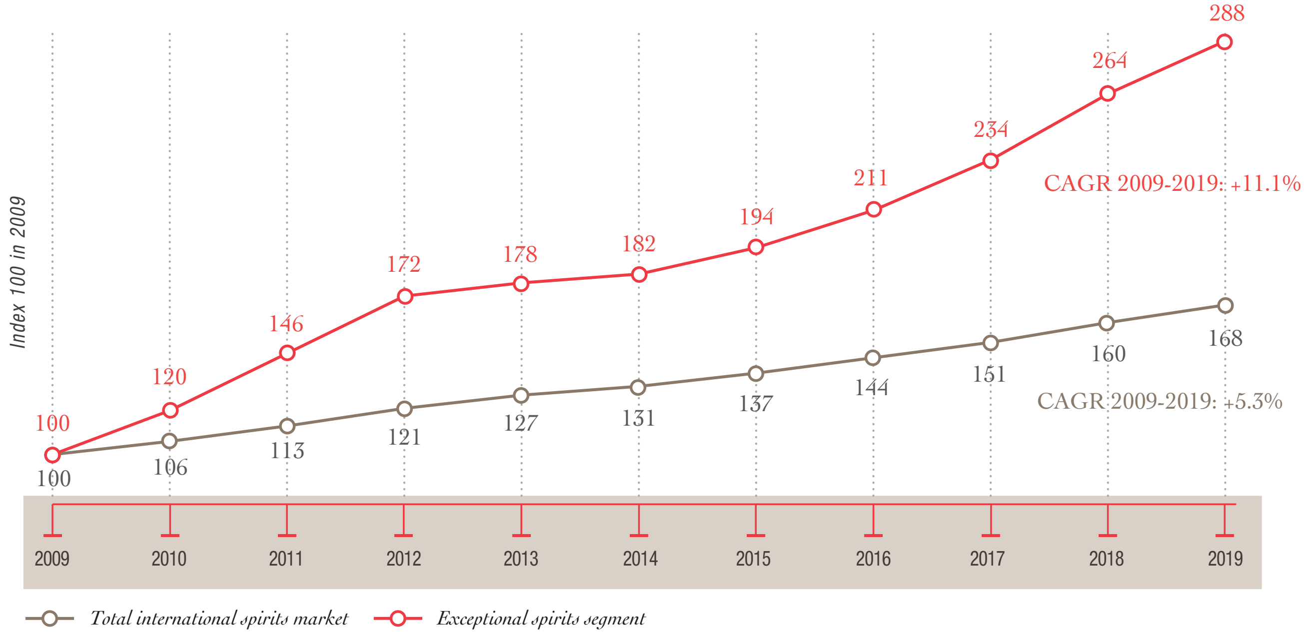
The Rémy Cointreau Group's positioning in the high-end segment of exceptional spirits is a very appropriate place to be: exceptional spirits are enjoying an attractive dynamic (+11% growth per year on average, compared with +5% for the spirits market as a whole over the last 10 years), driven by a move towards the high-end of the market and an increasingly discerning clientele in terms of the quality, production, know-how and history of the spirits they consume.

Exceptional spirits: a fast-growing segment

MARKET VALUE SPLIT PER PRICE SEGMENT				CAGR 2009-2019 (IN VALUE)
0.3%	+9.5% €17 billion	UPPER LUXURY >$1,000	+11.1%	+5.8%
3.8%		LUXURY $100-$1,000		+11.4%
5.3%		ULTRA PREMIUM $50-$100		+11.4%
30.6%		PREMIUM $20-$50		+6.7%
59.9%		MASS <$20		+4.1%

Source: IWSR, Rémy Cointreau, international spirits market estimated at around 200 billion USD.

The exceptional spirits segment has structurally outperformed the global spirits market since 2009

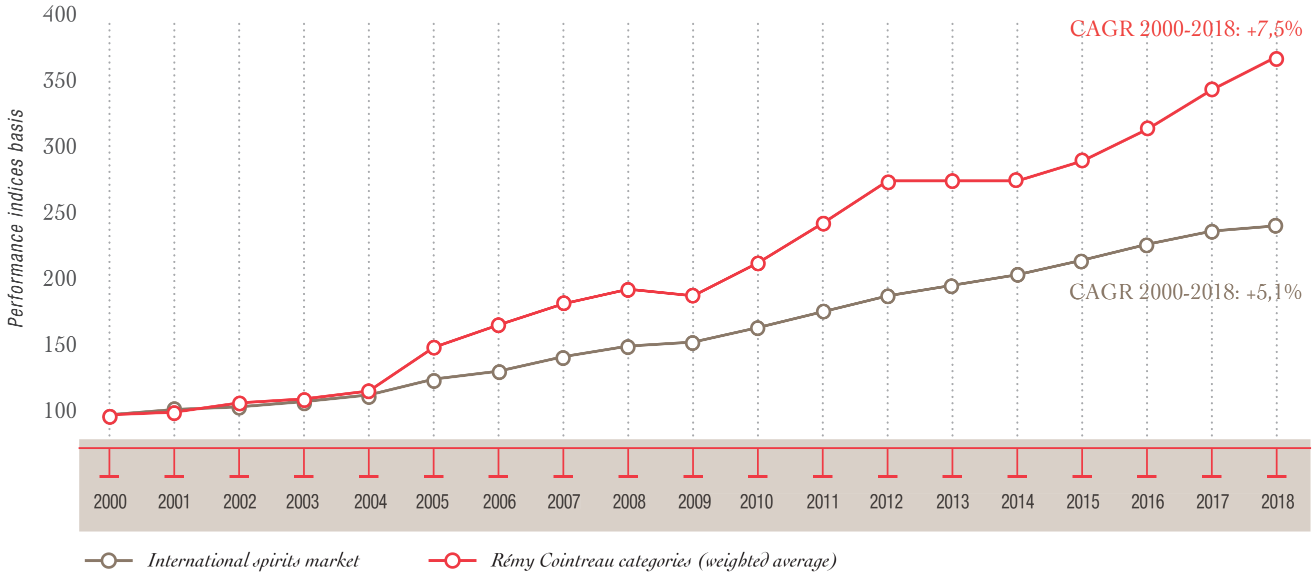


Source: IWSR, Rémy Cointreau.

POSITIONED IN FAST-GROWING CATEGORIES OF SPIRITS

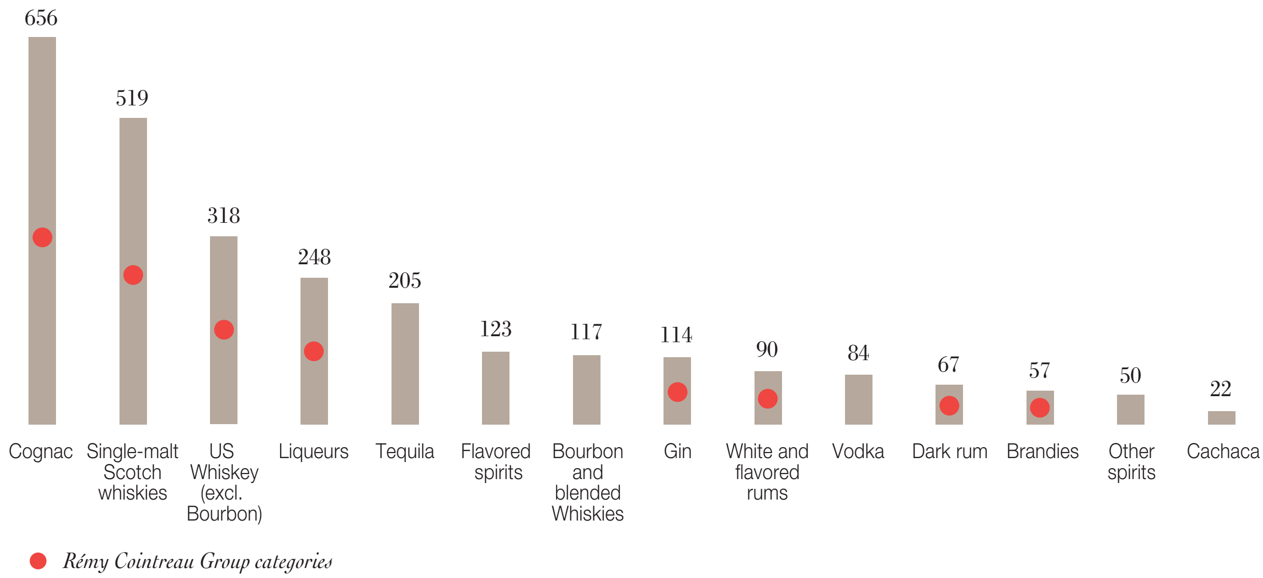
In addition, Rémy Cointreau Group brands belong to categories of spirits (such as cognac, single malt whisky, dark rum or gin) that have significantly outperformed the market in recent years (+7.5% per year on average during the period 2000-2018, compared with 5.1% for the market) and that retain a strong consumer appeal.

Rémy Cointreau Group categories structurally outperformed market growth



Correspondingly, these categories offer very attractive valuation levels ("value per case"): cognac, single malt whisky and liqueurs are the categories of spirits with the highest value per case on the market.

Value per case by category of spirits *(in €)*



Source : IWSR, Rémy Cointreau.

A NEW GENERATION OF CLIENTS

Clients of high-end spirits have changed in recent years. Younger, more connected and from affluent backgrounds, these globetrotting millennials from generations Y and Z want to know about the origins of the spirits, their history, how they are made and what makes them different. At the same time, there is a growing demand for transparency about the quality of the products. Our clients are also looking for a more convenient way of buying our spirits (growth of e-commerce), as well as more services, an enhanced shopping experience and a tailor-made offering.

New demographic

- Emergence of an affluent middle class
- Rise in the number of well-off households
- Younger clientele: Millennials (generations Y and Z)

New consumer trends

- "Drinking less, but better"
- Increasingly sophisticated demand
- Better knowledge of spirits
- Interest in origins, know-how and authenticity
- Demand for transparency in terms of ingredients and respect for the environment
- Search for "meaningful brands" in step with their values
- Globalisation and digitalisation of consumption patterns

Increased mobility

- Growth in international mobility
- Development of Travel Retail

Proliferation of distribution channels and new technological challenges

- Proliferation of distribution channels (e-commerce, travel retail, direct, etc.)
- Growing importance of CRMs
- Personalisation of customer service

A DISTRIBUTION NETWORK: LOCAL KNOW-HOW, AN INTERNATIONAL PRESENCE

Distribution and administration

The Group has premises and commercial or administrative offices in many countries, including the USA (primarily New York), China (Shanghai and Hong Kong), Singapore, Russia and the United Kingdom (London and Glasgow). The Group does not own any premises in these countries and therefore uses leasing contracts.

Moreover, the headquarters of Rémy Cointreau, which includes most of the Group's central services, is based in rented premises at 21 boulevard Haussmann, Paris.

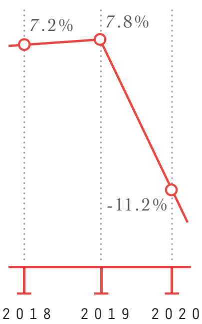
> RÉMY COINTREAU BEGAN BUILDING ITS DISTRIBUTION NETWORK ACROSS ALL CONTINENTS AT THE END OF THE 1950s.

Today, the Group has a dozen directly owned subsidiaries (from the United States to China, including the United Kingdom, Belgium, Malaysia and Japan). This distribution network allows the Group to implement a price strategy and to be selective about its sales outlets in a manner consistent with its high-end positioning.

RÉMY COINTREAU
Groupe

€1,024.8M
in net sales

Organic sales growth for the Group



Americas

€458.6M
in net sales

45%
of Group sales

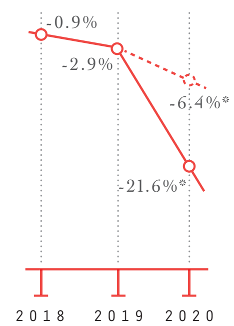
Organic sales growth for the zone

Europe Middle-East & Africa

€246.1M
in net sales

24%
of Group sales

Organic sales growth for the zone

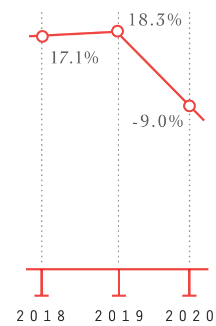


Asia Pacific

€320.1M
in net sales

31%
of Group sales

Organic sales growth for the zone



* *Organic decline largely attributable to the expiration of Partner Brand distribution contracts. Organic decrease of 6.4% for Group Brands.*

A NEW STEP IN THE VALUE STRATEGY

4 STRATEGIC LEVERS

The transformation of Rémy Cointreau's business model since 2015 (acceleration of the upgrading of the brand portfolio towards the high-end and the implementation of an end-client-centric culture) has clearly brought results. Between 2015 and 2019, the Group delivered average organic growth in sales of 7% per annum and its current operating margin rose by 4.4 points over the period.

Accordingly, the Group will now move on to a new step in its value strategy, which consists in optimising its portfolio strategy to build a more sustainable, profitable and responsible business model. Because such an in-depth transformation takes time, the Group has set its targets at 2030, in other words 10 years. This timeframe is also consistent with the Group's mindset and raw material procurement planning for some of its brands, such as Rémy Martin XO.

1

ENHANCING THE "VALUE PER CASE"

The "portfolio strategy" consists in assigning a role to each Group brand to maximise the Group's value per case and gross margin. The priority for the most profitable brands will thus be to step-up their growth (driven by increased investments), while the less profitable will have profitability improvement targets (by gradually refocussing them on their high-end products).

By increasing its gross margin, the Group will expand its investment capacity behind its priority brands, thus creating a virtuous circle of more sustainable and profitable growth.

2

MOVING FROM A "CLIENT-CENTRIC CULTURE" TO A "CLIENT-CENTRIC BUSINESS MODEL"

During the past five years, the Group has implemented an end-client-centric culture by establishing direct and personalised relationships through human, media and digital investments to enhance brand appeal.

The Group is now seeking to move on to the next step by implementing a genuine client-centric business model. This should translate into a significant increase in the Group's direct sales, whether through digital, own stores or its network of "Private Client Directors". To do this, it must implement or strengthen the tools that will enable it to communicate with, educate, retain and sell directly to its clients.

3

ACCELERATE THE DEVELOPMENT OF THE LIQUEURS & SPIRITS PRIORITY BRANDS

The Liqueurs & Spirits portfolio still has significant growth prospects due to the fact that its brands are far from their full potential in their existing markets, in particular in terms of retail penetration.

Some brands have accordingly been identified as priorities to contribute to the Group's profitable growth. The expected mix and scale effects should gradually result in an improvement of the division's profitability, despite reinvestments in brand communication and education.

4

LAUNCH OF THE "2025 SUSTAINABLE EXCEPTION" PLAN FOR MORE RESPONSIBLE GROWTH

After having defined its values (Terroirs, People, Time and Exception) in 2016, the Group is now seeking to reflect them through a genuine responsible growth plan. The key concerns of the "2025 Sustainable Exception" plan are sustainable agriculture in all terroirs involved in crafting the Group's spirits, ecodesign for all the brands' packaging, and a gradual reduction of carbon emissions aligned with the international ambition of «Net Zero Carbon» by 2050.

Moreover, as a family-owned Group, Rémy Cointreau is a people-centric company, which deeply respects the Women and the Men that comprise it and who, through their know-how and commitment, contribute to the success of the Group and its strategy. Its ambition is to become even more inclusive, whether in terms of the representation of women, ethnic diversity or age within the decision-making bodies.

Lastly, thanks to its positioning in the exceptional spirits market, the Group is fully aware of its duty to set an example regarding responsible consumption. Accordingly, the Group promotes occasional consumption to celebrate exceptional moments, with moderation.

A 10-YEAR AMBITION

The Group has thus set itself **five transformation targets** for 2030:

- **a new business model for the Louis XIII brand,** featuring significant development of direct sales, breaking with the conventions of the industry;
- **an increased proportion of "intermediate" products** (1738 Accord Royal, CLUB) and XO quality at Rémy Martin;
- **an increased contribution from the Liqueurs & Spirits division** within the Group and a sharp improvement in its profitability;
- **superior pricing for all brands** within their respective categories;
- **development of digital channels** to 20% of the Group's sales.

VALUE CREATION

THE GROUP'S DNA

TERROIRS

- Terroirs of exception (Cognac, Islay, Samos, Barbados, etc.)
- Supply agreements that advocate sustainable agriculture
- **86%** of suppliers are SEDEX members

PEOPLE

- Preservation of ancestral know-how (cellar masters)
- Commitment to employee well-being
- Shared ethical responsibility

TIME

- Family-owned company since 1724
- Ageing of certain of our *eaux-de-vie* for more than 100 years
- Engaged governance to support the Group for the long term

EXCEPTIONAL SPIRITS THAT TASTE LIKE THEIR TERROIR...

High-end positioning in high-growth segments

A portfolio of 12 exceptional spirits

Sustainable value creation

Stronger pricing power behind our spirits (price/mix gains)

Reinforcement of brand recognition and attractiveness

... AND CREATE VALUE

Portfolio management optimisation:

— clarification of each brand's mission within the Group
— setting of priorities, maximising the investments behind the most profitable brands

Sustained, responsible, profitable growth in sales; maximising of gross margin

Increase in investment capacity

- **brands**
  (media, digital, education)
- **distribution network:**
  — development of a direct distribution network (boutiques, e-commerce, Private Client Directors, etc.)
- **product development that respects the environment**
  (sustainable agriculture, eco-packaging, reduction in carbon emissions)

SHARED WITH ITS STAKEHOLDERS

EMPLOYEES

- Average Group salary: score of **107** compared with international benchmark
- **31,677** hours of training

GOVERNMENT

- **€61m** paid in corporate income tax in 2019/2020 (tax rate: 34%)

CIVIL SOCIETY

- **€1m** (over a five-year period) invested by the Rémy Cointreau Foundation to promote and transfer exemplary skills and know-how

SHAREHOLDERS

- Steady increase in dividends over the past 20 years
- One-time reduction of the ordinary dividend to €1.00 in 2019/2020 due to the global pandemic and its impact on the Group
- Stock market capitalisation up **€2 billion** over the last five years (at 31 March 2020)

LOCAL COMMUNITIES

- Strong commitment within the communities of Cognac (France), Angers (France), Islay (Scotland) and Barbados

SUPPLIERS

- Alliance Fine Champagne: **2.26%** shareholder of Rémy Cointreau
- Partner training provided by our agronomists (sustainable agriculture)

FINANCIAL AND NON-FINANCIAL TARGETS

With the arrival of Éric Vallat as Chief Executive Officer of Rémy Cointreau, the Group launched its management reorganisation and set itself ambitious new financial and non-financial targets.

OUTLOOK FOR THE 2020/2021 FINANCIAL YEAR

Despite the uncertain health, economic, and geopolitical situation, the Rémy Cointreau Group remains confident that it will come through the current crisis even stronger.

Thanks to more favourable trends in the consumption of spirits in the United States at the beginning of the financial year, the Group has adjusted its outlook slightly upward for the first quarter of 2020/2021: it now expects net sales to fall by about 45% organically (compared to an organic decline in the order of -50% to -55% initially). With the second quarter moving toward a limited decline, the Group anticipates an organic decline of 45% to 50% in current operating profit for the first half of 2020/2021.

Nonetheless, the second half of 2020/2021 should benefit from a strong recovery driven by China and the United States.

NEW MEDIUM-TERM OUTLOOK

In the medium term, Rémy Cointreau is reasserting its ambition to become the world leader in exceptional spirits, in which the growth outlook is still attractive, particularly in a world of more responsible consumption.

To achieve this, Rémy Cointreau will pursue its **value strategy** and its construction of a **corporate model** in which **growth is both profitable and responsible.**

THE GROUP IS THUS SETTING AMBITIOUS FINANCIAL AND NON-FINANCIAL TARGETS FOR ITSELF:

By 2030, improved portfolio management should enable it to attain a **gross margin of 72%** and a **current operating margin of 33%.**

Simultaneously, the Group will deploy its **"2025 Sustainable Exception"** plan, which aims in particular for **sustainable agriculture** across all land on which its spirits depend, as well as a **25% reduction in carbon emissions (scopes 1 & 2, in absolute terms)** and **30% (scope 3, in relative terms) by 2025.** This is the first step toward the Group's **"Net Zero Carbon" ambition for 2050.**

Financial targets to 2030

72%
Gross margin

33%
Current Operating Margin

"2025 Sustainable Exception" Plan

100%
integrated agriculture

25%
reduction in carbon emissions (scopes 1 & 2, in absolute terms)

30%
reduction in carbon emissions (scope 3, in relative terms)

"NET ZERO CARBON" BY 2050

GROUP'S MAIN CHALLENGES AND RISKS

—THE GROUP'S MAIN NON-FINANCIAL CHALLENGES

Terroirs, People and Time. The Rémy Cointreau Group's CSR ambition is built around the three key pillars of our signature:

- **protecting our terroir** through sustainable agriculture;
- **making a commitment to people** to protect their ancestral know-how, ensure their well-being within the Group and teach them about the ethics that are so vital for the Group's credibility. At the same time, pledging to protect all stakeholders, both internal and external, through a policy of responsible consumption;
- **recognising the value of time,** protecting the atmosphere (through our carbon footprint) and water supply as essential resources for our businesses.

Following a materiality assessment in 2016/2017, 10 key Sustainable Development Goals were selected (out of the 17 identified by the United Nations). Based on these SDGs, we have now identified the 10 major challenges facing the Group, the risks associated with these challenges and the indicators that will enable us to monitor their development in the future. In some cases, the Group has already committed itself by setting targets for improvement.

The targets cover SDGs 6, 8, 12, 13 and 15, which are used as CSR performance criteria to calculate the Executive Committee's variable remuneration.

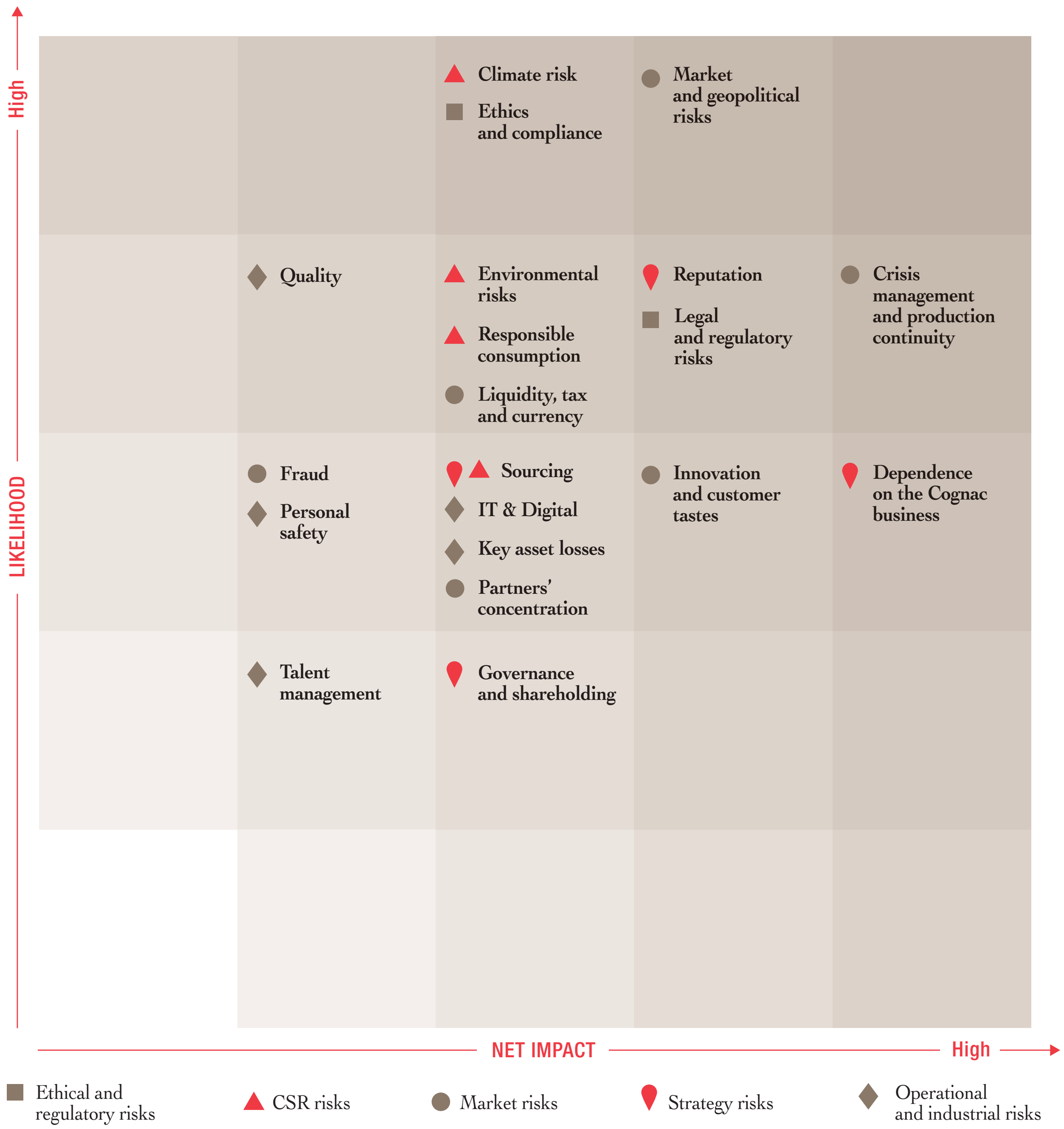
SDGs		Challenges	Risks relating to the challenge	Risk indicators (quantified targets/ progress plan)	Challenges related to the remuneration of a member of the Executive Committee
6 CLEAN WATER AND SANITATION	Clean water and sanitation	Water management	Water availability/ Water quality	Water consumption	Operations Director
8 DECENT WORK AND ECONOMIC GROWTH	Decent work and economic growth	Employee well-being	Absenteeism, turnover, workplace accidents, occupational health, work-related alcohol consumption	Turnover and absenteeism	Human Resources Director
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Responsible consumption and production	Circular economy and reduction of raw material consumption	Company's reputation among customers	EPI (Environmental Performance Index of packaging)	CEO Liqueurs & Spirits
13 CLIMATE ACTION	Climate action	Contribution to the global effort (2°C limit) and sustainability of the business	Changes in regulatory and fiscal framework (carbon tax)	CO_2 emissions: significant emissions, by brand, focus on transport/reduction of CO_2 emissions	CEOs of the Americas, EMEA and Asia Pacific regions
15 LIFE ON LAND	Life on land	Sustainable agriculture: adapting the terroir and protecting biodiversity	Sustainable production of our agricultural raw materials	Percentage of sustainably managed land	CEO House of Rémy Martin and CEO Whisky Business Unit

The remaining members of the Executive Committee are also linked to these targets, with their variable "CSR" component corresponding to the average achievements of the Executive Committee members directly concerned.

THE GROUP'S MAIN STRATEGIC AND FINANCIAL RISKS

The Group has set up a system to anticipate and manage its risks. This system is constantly updated to take into account any regulatory, legislative, economic, societal, geopolitical and competition changes.

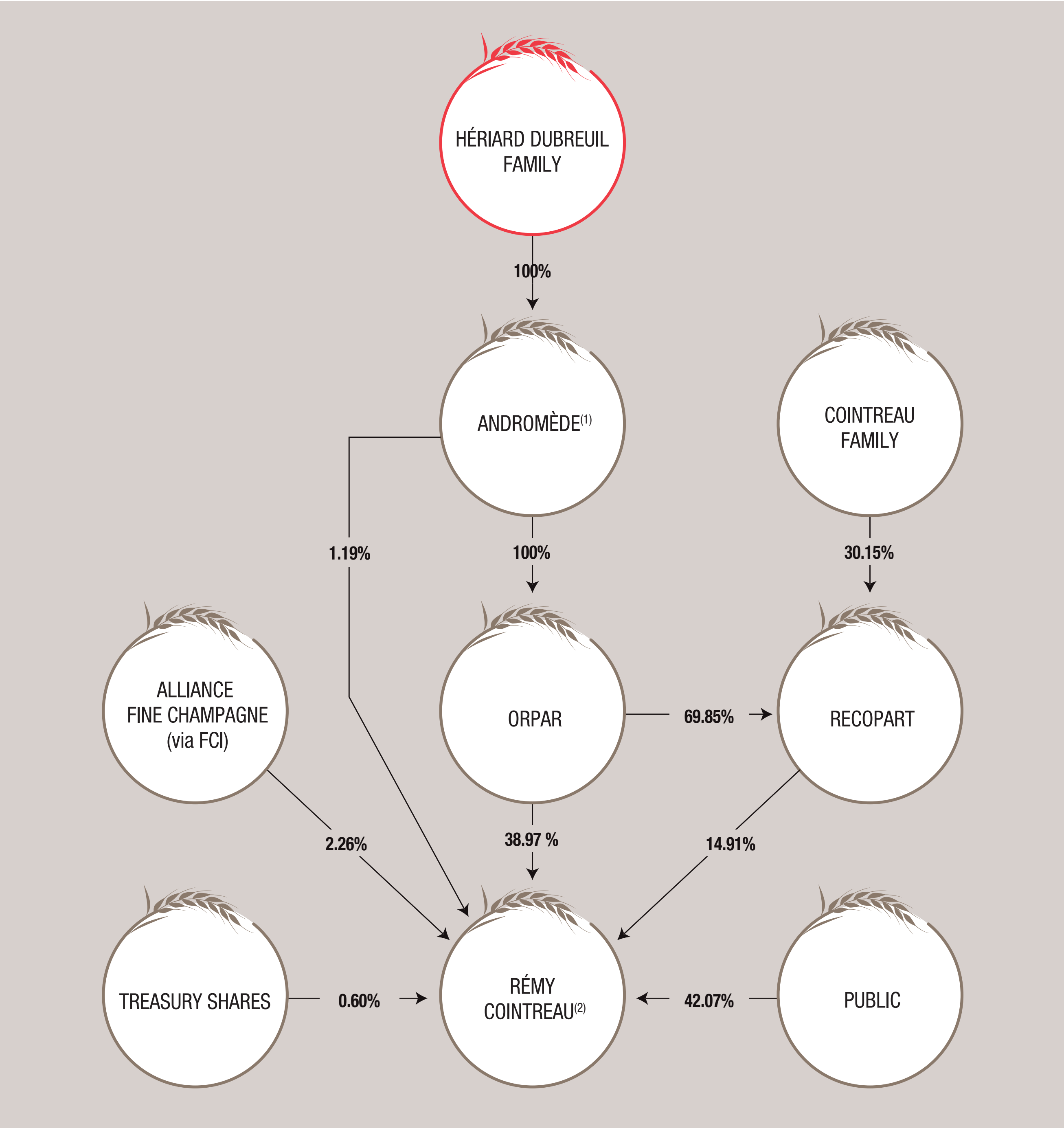
The main risk factors to which the Group is exposed given its business model are presented in this table (more details can be found in chapter 2 of this document).



COMPANY OWNERSHIP

SHAREHOLDING STRUCTURE

AT 31 MARCH 2020
(% equity interest)



(1) *Rémy Cointreau is consolidated within the Andromède Group.*
(2) *Only Rémy Cointreau shares are traded on the stock market.*

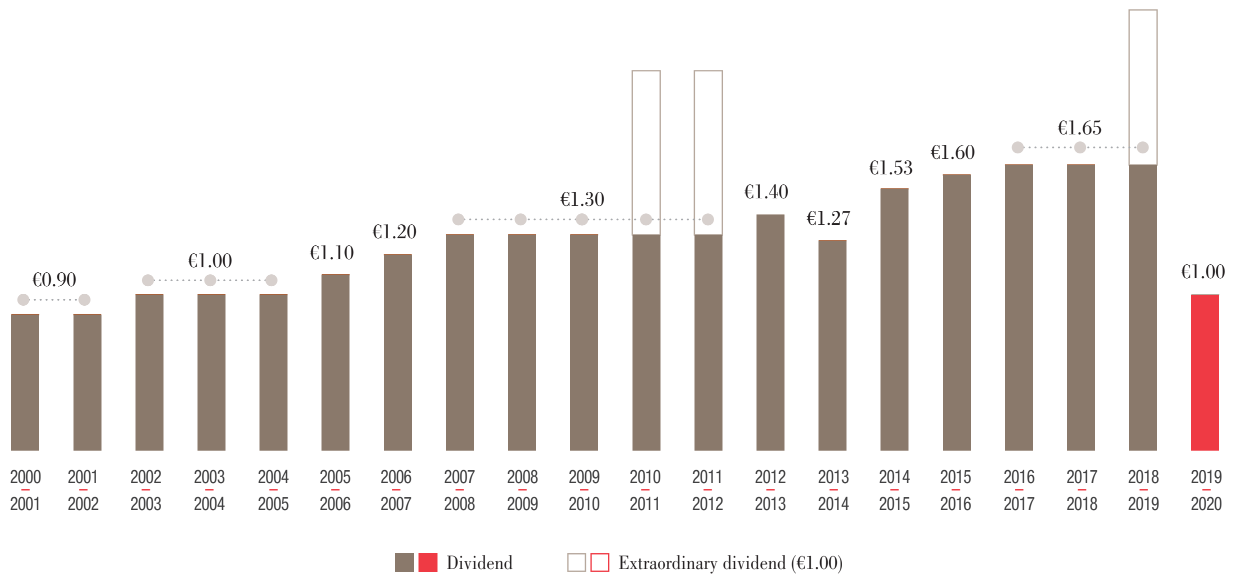
SHARE PERFORMANCE AND DIVIDENDS

The Group's strategy has boosted the share price over the past five years

Rémy Cointreau shares have risen by 45% over the past five years, reflected in an increase of nearly €2 billion in the market capitalisation. This value creation confirms the relevance of the strategy put in place by the Executive Committee and implemented by the Group's employees.

Regular dividend policy

Over the past 20 years, the Group has paid an annual dividend which has increased in stages. In addition, it paid an extraordinary dividend of €1.00 per share in respect of 2010/2011, 2011/2012 and 2018/2019.



1

CSR CHALLENGES (STATEMENT OF NON-FINANCIAL PERFORMANCE)

_ 1.1 Main challenges

All over the world, people are looking for exceptional experiences. For these customers, diversity of *terroirs* goes hand in hand with a variety of flavours. Our expertise, passed down from generation to generation over the centuries, is equal to their expectations. The time these clients devote to drinking our products is a tribute to all those who have worked to develop them.

It is for these men and women that Rémy Cointreau, a family-owned French group, protects its *terroirs*, cultivates exceptional multi-centenary spirits and undertakes to preserve their eternal modernity.

The Group's portfolio includes 12 unique brands, such as the Rémy Martin and LOUIS XIII cognacs, and Cointreau liqueur.

Rémy Cointreau has a single ambition: to become the world leader in exceptional spirits. For that, it relies on the commitment and creativity of its 1,900 employees and on its distribution subsidiaries.

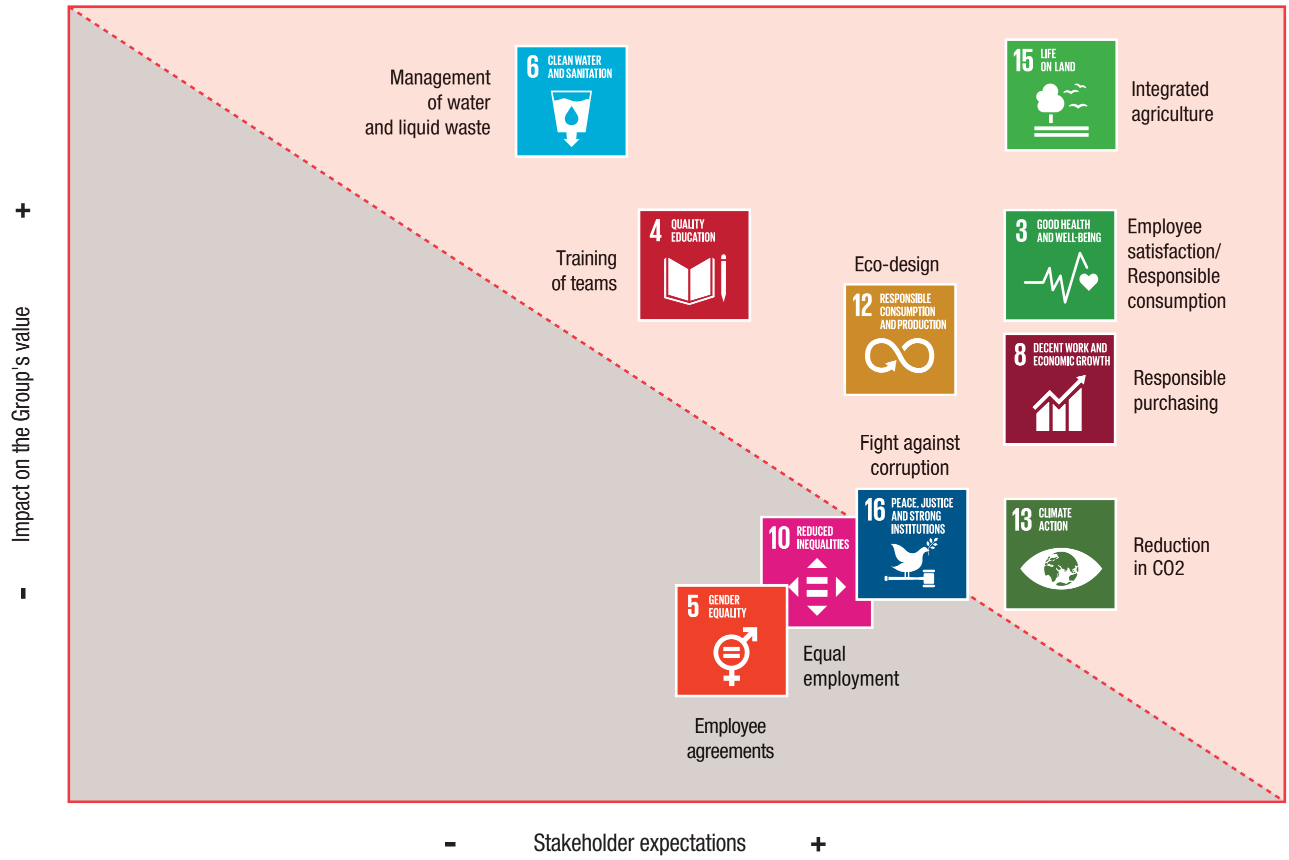
The secret of Rémy Cointreau's excellence is based on the quality of its products, and the values rooted in the Group's DNA. While Rémy Cointreau has always been committed to corporate social responsibility, the international context in recent years has only served to confirm – and strengthen – its resolve.

"*Terroirs*, people and time"; by adopting this emblematic motto five years ago, Rémy Cointreau wanted to demonstrate its irreversible commitment to a cause that it not only wholeheartedly supports, but over-delivers on. The Group's Executive Committee has put sustainable development front and centre of its strategy, in line with the wishes of its shareholders and Board of Directors.

This commitment supports the Group's main CSR challenges, inspired by the Sustainable Development Goals (SDGs) defined by the United Nations. Rémy Cointreau has its sights firmly set on these 17 objectives. They reflect its CSR ambitions by incorporating issues such as climate change and sustainable agriculture.

As a true corporate governance tool and in line with the Group's high standards, a materiality analysis was carried out. Its aim was to prioritise the challenges and identify those that have a significant impact on the Group's growth, value creation and sustainability, while taking all stakeholder expectations into account.

Materiality matrix



Out of 17 SDGs, Rémy Cointreau has selected 10 relating to its main challenges:

		Rémy Cointreau's challenges
3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages	Responsible consumption (external)
4 QUALITY EDUCATION	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	In-house training In-house training and skills development
5 GENDER EQUALITY	Gender equality: achieve gender equality	Non-discrimination and internal societal balance
6 CLEAN WATER AND SANITATION	Ensure availability and sustainable management of water	Water management (specific case of the Barbados site)
8 DECENT WORK AND ECONOMIC GROWTH	Decent work and economic growth/Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Employee well-being Responsible purchasing Local impact (sustainable development of the *terroirs*)
10 REDUCED INEQUALITIES	Reduce inequality within and among countries	Internal societal balance Internal social balance and global consistency
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Take action to combat climate change and its impacts	Circular economy and reduction of raw material consumption Customer information (labelling, nutrition)
13 CLIMATE ACTION	Take action to combat climate change and its impacts	Contribution to the global effort (2°C limit) and sustainability of the company Sustainability of the Company
15 LIFE ON LAND	Sustainable land management/Protect, restore and promote sustainable use of land ecosystems/Sustainably manage forests/Preserve biodiversity	Sustainable agriculture Biodiversity conservation
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Peace and justice: build effective and accountable institutions	Business ethics Governance

NB: The materiality analysis did not identify food waste, food poverty, animal welfare or responsible, fair and sustainable nutrition as relevant CSR challenges for the Group.

Particular attention has been paid to the five priority SDGs (SDGs 6, 8, 12, 13 and 15), to which the variable compensation of the Group's senior management is linked. The Board of Directors' CSR Committee, responsible for implementing the CSR strategy, monitors compliance with this commitment.

The various challenges selected form the basis of our new CSR Charter, republished this year.

It is based on three main pillars:

- **protecting our *terroirs*** in order to showcase their excellence, by encouraging responsible cultivation methods, safeguarding the unique characteristics of each *terroir* and finding new ways to preserve them;
- **looking after people** in order to highlight our uniqueness, with responsible, committed governance at the highest level, ensuring workplace wellness, gender equality and non-discrimination, promoting responsible purchasing, engaging with local communities and promoting responsible consumption of our products to customers;
- **recognising the importance of time** in creating exceptional products, taking an active part in the fight against global warming, conserving water resources, taking steps to reduce the environmental impact of our activities and striving for carbon neutrality.

1.2 Identification of risks and indicators associated with the challenges

During the year, an internal working group was set up to establish a risk hierarchy with representatives from the Finance, HR, Public Relations & CSR and Internal Audit departments.

Focusing on the main CSR challenges described in the previous paragraph, the working group has produced a risk map which has been used to prioritise these risks (GRI Standard 102-15).

Five main CSR risks have been identified in order that the Group's overall risk management take them into account:

- sustainability of agriculture and *terroirs* (supply risk and availability of agricultural raw materials);
- responsible purchasing and supplier relations (reputational risk of the Company);
- carbon impact (risk of a carbon tax and a binding regulatory framework);
- water management (risk of water availability and quality for the development of our products);
- responsible consumption of our products (health risk for our employees and customers).

These five specific CSR risks form part of the following four overall Group risks (see section 2):

- climate;
- environmental risks;
- sourcing;
- responsible consumption.

These Management of these risks are managed throughinvolves specific various actions associated with quantified targets and progress or monitoring indicators, which provide the a strong framework for our ambitious newthe "2025 CSR plan - Sustainable Exception".

While Rémy Cointreau has always been committed to corporate social responsibility, the current international context has only served to confirm – and strengthen – its resolve. More than ever before, the Group's CSR policy represents its core strategic ambition. It must contribute fully to the Group's value creation while continuing to support the Group's annual commitment under the Global Compact.

The new 2025 CSR Plan continues to address this CSR policy, in order to effectively achieve the CSR objectives through concrete action, in line with Rémy Cointreau's strategy.

The major challenges of this plan were determined with the desire to involve all our employees. The respect for the dignity of all (regardless of where they live, throughout their private and professional life), is at the centre of the Group's social policy, hinging on the respect of human rights and employment law.

From an environmental view point, the plan's priorities are in line with the international strategy for keeping global warming within a limit of 1.5°C. Rémy Cointreau has joined the global movement to tackle climate change. Its aim is for its business to be carbon-neutral by 2050, based on the "Net Zero Initiative" method. The plan to reduce the Group's GHG emissions and carbon footprint was developed this year with the aim of achieving a reduction in carbon emissions across all the Group's businesses (Scopes 1, 2 and 3 of the carbon footprint assessment). As in the 2020 CSR plan, the major initiatives include agricultural practices, the eco-design of packaging and optimized product transportation. The emphasis is also on water management, another key focus area for the Group.

The 2025 CSR Plan confirms the ties established between Rémy Cointreau and it local partners. The Group permanently aims to develop and protect the regions in which it operates and is convinced that it is the Company's responsibility to help them grow, while keeping in line with shared values. These values reflect the Group's truly ethical approach in order to build a relationship with its stakeholders based on trust.

Aware of the increasingly stringent requirements of civil society and public authorities, the 2025 CSR Plan also reflects the Group's commitment at a societal level to the impact of its communications and their consequences on alcohol consumption. The Group has adopted responsible communications, which it aims to share with all its employees and end-customers.

Some of the quantified targets of the 2025 CSR plan requiring a longer term vision were have been set with a horizon of 2028 (certification of the Alliance Fine Champagne de Cognac wine cooperative) and 2030 (reduction of carbon emissions).

Risk management is also supplemented from time to time by examination of monitoring indicators. These are used to, which enable test the effectiveness and continuation proper implementation of the actions implementedto be measured, without significant progress being expected targeted on the subject concerned.

Other Lastly, management indicators will complete the risk management framework.

2025 CSR PLAN - THE SUSTAINABLE EXCEPTION

SDGs	Rémy Cointreau's challenges	Risks relating to the challenge	Risk-related indicators: Indicators	Risk-related indicators: Scope	CSR targets: 2024/2025	CSR targets: 2028/2029	CSR targets: 2030/2031
Good health and well-being	Responsible consumption (externally)	Binding regulatory and fiscal framework	Qualitative information	World	Qualitative information		
Quality education	Internal training/skills development	Loss or deterioration of certain know-how/ Lack of staff training in some countries	Percentage of employees completing at least one training course per year, in %(2)	Production sites World/Subsidiaries World (>20 employees)	80		
			Hours of training(2)	Production sites World/Subsidiaries World (>20 employees)	Annual monitoring		
Gender equality	Non-discrimination and internal societal balance	Lack of appeal and reputation of the Company	Percentage of men/women in management, in %(1)	Production sites World/Subsidiaries World (>20 employees)	50		
			Gender equality index, scored out of 100(1)	France	90		
			Percentage of men/women trained, in %(1)	Production sites World/Subsidiaries World (>20 employees)	50		
Clean water and sanitation	Water management	Water availability and quality (specific case of the Barbados site)	Water consumption, in m^3(2)	Production sites World	Annual monitoring		
			Water consumed, m^3(1)	Production sites World	Annual monitoring		
			Water consumption reduction rate, in %(1*)	Production sites World	To be defined in 2020/2021		
		Pollution from liquid waste discharges	Rate of vinasse recovery, in %(1)	Production sites World	80		
Decent work and economic growth	Employee well-being	Activity-related consumption of alcohol	Qualitative information	World	Qualitative information		
		Turnover/ Absenteeism/ Workplace accidents/ Activity-related consumption of alcohol	Turnover, in %(2)	World	<20		
			Absenteeism, in %(2)	France/Production sites World	<4		
			Workplace accident frequency rate(2)	France/Production sites World	<9		
			Workplace accident severity rate(2)	France/Production sites World	<0.3		
			Average age(2)	Production sites World/Subsidiaries World	Annual monitoring		
			Seniority(2)	Production sites World/Subsidiaries World	Annual monitoring		
			Workforce by region, business and occupation(3)	Production sites World/Subsidiaries World	Annual monitoring		

SDGs		Rémy Cointreau's challenges	Risks relating to the challenge	Risk-related indicators: Indicators	Risk-related indicators: Scope	CSR targets: 2024/ 2025	CSR targets: 2028/ 2029	CSR targets: 2030/ 2031
8 Decent work and economic growth	Decent work and economic growth	Responsible purchasing	Suppliers: non-compliance with regulations – responsible and sustainable practices (working conditions)/ Company's reputation with customers	Percentage of suppliers who are Sedex members, in %[1]	World (Suppliers with the highest net sales of raw materials, packaging, advertising materials, suppliers of food contact materials and suppliers in regions with a CSR risk)	100		
				Percentage of CSR approved suppliers based on SEDEX rating, in %[1]	World (Suppliers with the highest net sales of raw materials, packaging, advertising materials, suppliers of food contact materials and suppliers in regions with a CSR risk)	100		
		Local impact (sustainable development of *terroirs*)	Lack of appeal and reputation of the Company	Qualitative information	World	Qualitative information		
10 Reduced inequalities	Reduced inequalities	Internal societal balance/Global consistency	Lack of appeal and reputation of the Company	Employment rate of people with disabilities, in %[3]	Production sites World/Subsidiaries World (>20 employees)	Annual monitoring		
				Percentage of work-study contracts, in %[3]	France	Annual monitoring		
12 Responsible consumption and production	Responsible consumption and production	Circular economy and reduction of raw material consumption	Increased raw material costs	Packaging EPI (Environmental Performance Index)[1]	All brands	Annual monitoring		
				EPI reduction rate, in %[1*]	All brands	To be defined in 2020/ 2021		
				EPI/Reduction of plastics in packaging, in %[1]	All brands	100		
				Volume of solid waste recovered[2]	Production sites World	99		
		Customer information (nutritional labelling)	Company's reputation among customers	Qualitative information	Europe	Qualitative information		

			Risk-related indicators		CSR targets		
SDGs	Rémy Cointreau's challenges	Risks relating to the challenge	Indicators	Scope	2024/ 2025	2028/ 2029	2030/ 2031
13 Climate action – Climate action	Contribution to the global effort (2°C limit) and sustainability of the Company	Carbon impact/Binding regulatory and fiscal framework (carbon tax)/Company's reputation with customers	CO_2 emissions – Scopes 1, 2 & 3, in Teq CO_2 [(2)]	Production sites World	Annual monitoring		
			Percentage of significant CO_2 emissions – product packaging, in % [(2)]	Production sites World	Annual monitoring		
			Percentage of significant CO_2 emissions – upstream freight and downstream product transportation, in % [(2)]	Production sites World	Annual monitoring		
			Percentage of significant CO_2 emissions – raw materials, in % [(2)]	Production sites World	Annual monitoring		
			CO_2 emissions reduction rate – Scopes 1, 2 & 3, in intensity, in % [(1)]	Production sites World	29		50
			CO_2 emissions reduction rate – Scopes 1 & 2, in absolute terms, in % [(1)]	Production sites World	25		50
			CO_2 emissions reduction rate – Scope 3, in intensity, in % [(1)]	Production sites World	28		50
			Total energy consumption, in MWh [(2)]		Annual monitoring		
			Renewable electricity consumption, in % [(1)]	France	100		
			Renewable electricity consumption, in % [(1)]	Europe	100		
			Renewable electricity consumption, in % [(1)]	World	100		
			CO_2 emissions from business travel [(3)]		Annual monitoring		

SDGs	Rémy Cointreau's challenges	Risks relating to the challenge	Risk-related indicators: Indicators	Risk-related indicators: Scope	CSR targets: 2024/ 2025	CSR targets: 2028/ 2029	CSR targets: 2030/ 2031
15 Life on land	Sustainable agriculture	Sustainable production of our agricultural raw materials and *terroirs*	Percentage of agricultural land managed sustainably, in %[1]	World	100		
			Percentage of Cognac wine cooperative (AFC) vineyards with HVE (level 3) certification, in %[1]	Cognac site	70	100	
	Biodiversity conservation	Company's reputation among customers	Specific rates per biodiversity conservation action[1*]	World	To be defined in 2020/ 2021		
16 Peace, justice and strong institutions	Business ethics	Binding regulatory and fiscal framework (prohibition)	Percentage of the workforce trained in the code of ethics, in %[1]	World	100		
			Number of alerts[2]	World	Annual monitoring		
	Governance	Efficiency and consistency in the implementation of the CSR strategy within the Group	Executive Committee compensation linked to the % achievement of CSR targets[3]	World	Annual monitoring		
		B Corp certification	Number of B Corp certified production sites[1]	World	100		

(1): progress indicators.
(1): progress indicators awaiting validation.*
(2): monitoring indicators.
(3): management indicators.

Main CSR risks aggregated in the Group risk map

In parallel to this 2025 CSR plan, Rémy Cointreau has also finalised its internal review of the Group's raison d'être:

RÉMY COINTREAU

"Rémy Cointreau cares for the terroirs that are essential to its Maisons and cultivates the savoir-faire of its people, so that clients can enjoy exceptional spirits and sensory experiences.

Upholding this heritage enables the family company to write its own destiny and to proudly pass on its centuries-old legacy to future generations."

For several years, Rémy Cointreau has been linking its indicators to those of the Global Reporting Initiative (GRI), using the GRI G4 guidelines. The Group applies the GRI Standards (see references in the text and section 1.6 "Cross-reference tables").

The CSR reporting covers 27 companies which provide all their employee-related, environmental and societal information (see section 1.5 "Note on methodology for reporting indicators"). The reporting is verified by an independent external expert (see section 1.7 "Report of the independent third-party body on the consolidated employee-related, environmental and societal information contained in the management report").

1.3 Managing the risks and challenges: policy, action plans and indicators

1.3.1 Employee-related risks

1.3.1.1 EMPLOYEE WELL-BEING

Challenge

The women and men at Rémy Cointreau's are the Company's key asset because they embody the expertise that has been passed down from generation to generation and which is fundamental to crafting exceptional products. We have a responsibility to ensure their safety, with the best working conditions, and to help them flourish in their careers. We believe, for example, that the absenteeism and employee turnover indicators provide a good overall picture of how we meet the needs of our employees.

Policy

The Group is committed to employee career development, diversity and strengthening the sense of belonging within the Group. The Rémy Cointreau Group also strives to provide and maintain a working environment that ensures the health and safety of staff, clients, external contractors, visitors and the general public who may reasonably be affected by its activities. The Group's policy in this area is to prevent workplace accidents, illnesses and other injuries by ensuring that the risks are taken into account in the operational management of production processes. In addition, in France, true to the historical choices it has made, Rémy Cointreau favours collective agreements in all areas of negotiation.

Moreover, the Group closely monitors the evolution of Human Resource indicators in order to implement preventive measures as early as possible when a deterioration in the overall working conditions is identified.

Rémy Cointreau ensures that all its businesses comply with the laws and regulations in force in all the countries in which it operates. The Group makes investments to continuously improve working conditions by taking into account the issues specific to each business line. While health and safety are subject to a global commitment, our entities throughout the world are each responsible for implementing the initiatives aimed at offering the best possible working conditions. In some cases, this translates into the implementation of Health and Environment Quality policies at a local scale and communications to newly-hired employees as part of their onboarding process. In addition, training courses are organised on a regular basis at our French industrial sites to keep up with changes in standards, law and regulations.

Action plans

Rémy Cointreau promotes, both locally and Group-wide, initiatives that target the improvement of working conditions and foster the well-being of employees.

Over the course of the 2019/2020 financial year, Rémy Cointreau repeated a worldwide satisfaction survey to measure its employees' commitment. This type of survey will be conducted every two years to measure progress. 83% of the Group's employees responded to the survey. As in previous years, its results will be presented at each site during the 2020/2021 financial year. Subsequently, meetings with groups of employees will enable to establish action plans which take account of the opinions and feedback collected during these meetings as part of the continuous improvement process.

Since 2016, to promote organisation methods aimed at improving the quality of life at work, the Rémy Cointreau Group implemented remote working, thereby enabling employees who so wish, to better manage their work and personal life. In France, a Code of Remote Working provides a framework for this subject so that everyone knows what is expected of them. In order to address a requirement following the latest satisfaction survey and improve the flexibility of this type of work, our sites have given employees the possibility to work remotely on an occasional basis since July 2019 if their jobs enable it.

During the financial year, in our US subsidiary, the Human Resources Department created and developed a pilot programme for an employee development plan. Based on the need to create specific action plans to help employees to acquire new skills, the interim interviews were cancelled. These have been replaced by development plans which are now in place for each employee and coordinated by their line manager throughout the year. In addition, the subsidiary has completed the implementation of a new employee health and well-being programme, based on promoting healthy living (nutrition, sport and mental well-being) as well as weight loss or quitting tobacco habits and the acquisition of fitness equipment. In France, at the Cognac site, the Human Resources Department organised a support programme for people wishing to quit smoking which involved 20 employees who had clearly expressed their desire to quit smoking in the workplace.

In Angers as in Cognac, major investments were made to improve working conditions. Accordingly, in Cognac, to relieve the congestion at the goods-in area, a software programme for scheduling the delivery times of our transporters was set up. The purpose of this collaborative platform is to enable transporters to schedule their deliveries within the available time slots in order to ensure smooth inbound flows. This investment enables to significantly reduce lead-times (planning and transport). Launched in February 2020, this system brought peace of mind among the logistics staff thanks to better regulated inbound and outbound logistics flows throughout the day. This provides our warehousemen with a clear picture of the daily activity which they can now better manage.

The Cognac site also inaugurated new work premises in February 2020 for all the employees of the Merpins product design centre. These new premises, both spacious and functional provide the employees with a fully-equipped modern laboratory and sensory analysis room and a new tasting room for the cellar master and his team. This ultra-modern building, with the highest energy-efficiency standards, is designed around a passageway 100 metres long, a light-flooded avenue leading to a total surface area of 2,800 m2 (compared to the previous building which had a floor area of 700 m2). Open space work islands were created for each team to encourage communication and informal discussions both within a given team and with the other teams. In these islands, each employee now has an individual area of 12 m2 in addition to useful facilities (corridors, storage furniture, landings, etc.). This major project also enabled all the employees of the product-design centre to be brought together under the same roof.

Moreover, the Group closely monitors the Group employee turnover rate to analyse any possible deterioration if necessary. In the 2019/2020 financial year, the Group recruited 231 people, mainly in the sales teams (22.1%), marketing (16%), production roles (14.7%) and finance (10.4%). Some 66.2% of recruitment was for permanent contracts.

At the same time and within the same scope, there were 295 departures, of which 47.2% were resignations, 11.5% were mutually agreed, 18.8% were as a result of fixed-term contracts coming to an end and 11% were retirements. The termination of our operations at RC CZECH and RC SLOVAKIA resulted in the departure of 77 people, who are included in the total number of departures but not included in the percentages given.

The turnover rate was 13.8% of employees (GRI Standard 401-1). Given the difficult employment conditions in certain markets in which the Group operates, the Company's target is to make sure that this rate does not exceed 17%.

The Group also continues to monitor changes in the workforce as a vigilance indicator. Thus, at 31 March 2020, the Group’s total workforce stood at 1,853 employees on permanent and fixed-term contracts (including work-study contracts).

To raise the awareness of employees about workplace accident risk prevention, the workplace accident frequency rate at French industrial sites is included in the profit-sharing criteria established under the collective agreement with trade unions and employee representatives.

WORKFORCE BY GEOGRAPHIC AREA (GRI STANDARD 401-1)

	March 2020	%	March 2019	%	March 2018	%
France	725	39.1	719	37.7	704	37.8
Europe (outside France) – Africa	323	17.4	375	19.7	384	20.6
Americas	366	19.8	380	19.9	377	20.3
Asia	429	23.7	434	22.7	396	21.3
TOTAL	**1,853**	**100**	**1,908**	**100**	**1,861**	**100**

WORKFORCE BY ACTIVITY (GRI STANDARD 401-1)

	March 2020	%	March 2019	%	March 2018	%
Group brands	751	40.5	750	39.6	736	39.5
Distribution	967	52.2	1,077	56.4	1,050	56.4
Holding	82	4.3	81	4.0	75	4.0
TOTAL	**1,853**	**100**	**1,908**	**100**	**1,861**	**100**

The distribution business still accounts for more than half of the Group’s workforce (56.4%).

WORKFORCE BY FUNCTION AND OCCUPATION

	March 2020	%	March 2019	%	March 2018	%
Sales	538	29.0	539	28.2	537	28.9
Marketing	262	14.1	309	16.2	274	14.7
Production and purchasing	352	19	355	18.6	352	18.9
Supply Chain	137	7.4	139	7.3	157	8.4
Ageing	157	8.5	156	8.2	158	8.5
Finance & legal	213	11.5	217	11.4	207	11.1
Information systems	61	3.3	57	3.0	51	2.7
Human resources	63	3.4	60	3.1	53	2.9
General services	25	1.3	29	1.5	28	1.5
Senior management	45	2.4	47	2.5	44	2.4
TOTAL	**1,853**	**100**	**1,908**	**100**	**1,861**	**100**

The breakdown of the workforce by gender remained stable; men accounted for 55.5% of the workforce and women 44.5%, with different figures according to occupation and country (GRI Standard 401-1).

Analysed by occupation, men tend to make up the majority of personnel in ageing, maintenance and sales. There are more women in marketing, client services and packaging.

The average age of Rémy Cointreau's workforce is 40.9 years, although in France it is slightly higher (42.2 years).

The average length of service of the Group's workforce is 8 years, with an average in France of 10.3 years.

The Group also monitors the absenteeism rate for France, Barbados and Islay. In the coming five years, the Group is looking to include the Domaine des Hautes Glaces and Westland entities. For the financial year ended, the absenteeism rate, measured in hours of absence per theoretical hours worked, stood at 2.33%, stable compared to the previous financial year. This rate does not include sick leave periods of more than 90 days (GRI Standard 403-2).

In addition, the workplace accident frequency rate at the production sites in France (excl. DHG), Barbados and Islay for 2019/2020 was 11.21, expressed as the number of workplace accidents with workdays lost per million actual hours worked (GRI Standard 403-2). In the coming five years, the Group is looking to include the Domaine des Hautes Glaces and Westland entities.

The severity rate, expressed as the number of days lost to workplace accidents per thousand actual hours worked (GRI Standard 403-2), was 0.53. In order to remedy the causes of each accident, the members of the Health and Safety Committee systematically carry out a root cause analysis and report their findings and recommendations to the committee.

1.3.1.2 NON-DISCRIMINATION AND INTERNAL SOCIAL BALANCE

Challenge

Rémy Cointreau aspires to fairly reflect the employment areas in which it is located, the markets in which it operates and its customers. To this end, the Group seeks to preserve the good reputation it has vis-à-vis its various stakeholders to maintain its attractiveness and ensure social balance.

Policy

In terms of equal treatment for men and women and non-discrimination in general, the Rémy Cointreau Group has taken the decision to implement international procedures and processes that guarantee equal treatment for the Group's employees. Non-discrimination in terms of race, religion, colour, age, gender, nationality or any other discriminatory factor not based on criteria of occupational requirement forms an integral part of Rémy Cointreau's policies and practices, particularly with respect to recruitment, promotion, transfers, salary increases and training.

In terms of career development, Rémy Cointreau endeavours not to discriminate when it comes to salary increases. For example the employee guide circulated to the employees of our site in Switzerland, stipulates that the "Prohibition of any type of discrimination applies to the hiring process, task distribution, working condition arrangements, remuneration, professional training and upskilling, promotion and the termination of employment".

Accordingly, through the documentation provided to employees upon their arrival in one of our entities, we remind them of the applicable legal provisions and agreements in respect of non-discrimination and also reiterate the applicable procedures in the event an employee were to be involved in such situation.

Rémy Cointreau also strives to ensure that its practices in terms of working hours and other time spent within the Company aim as far as possible to maintain a healthy work-life balance, particularly in order to help employees fulfil their parental duties.

As regards remuneration, in France, the Group has undertaken to implement its policy in such a way as to ensure that the distinction between men and women is not taken into account. Three areas have thus been formalised with a shared objective and shared measurement indicators:

- no difference between men and women in terms of starting salary where the employees are equally qualified;
- no difference between men and women in terms of individual salary increases where the employees' performance level and market ratio are the same;
- analysis of differences between men and women in terms of basic salary where the employees' employment, experience and performance levels are the same, and action plans aiming to reduce any differences.

Action plans

In France, collective agreements on gender equality and the employment of older workers have helped formalise objectives and progress indicators in the areas of recruitment, remuneration, careers and training, working conditions and work-life balance.

Moreover, working time arrangements can be made to allow employees to accompany their children on hospital stays. In addition, wherever possible, meetings are arranged during working hours and training sessions scheduled sufficiently far in advance to allow parents to arrange childcare where required. The parties sought to adapt the application of compassionate leave and allow the employees in question to discuss with their manager a way of adjusting their work to part-time hours when they have certain family issues to deal with.

The remuneration policies are governed by occupational evaluations informed by an external method and appraisal and by a performance assessment based on identifying skills and shared goals. The recruitment and internal mobility policies are subject to procedures and/or international charters that guide managers and encourage joint decision-making based on objective criteria.

To further distil the Group's multicultural identity and foster diversity, the Group is actively committed to encouraging the professional inclusion of recently graduated students, with a Bac +3 or higher degree, who are aged under 30 and come from a modest social environment or priority economic areas. In particular, the partnership with Nos Quartiers ont du Talent, initiated at Rémy Martin in 2014, continued its support to encourage the professional inclusion of young graduates from disadvantaged backgrounds. In this major social and solidarity initiative, the sponsors of the Company play a key role with all these young people who lack confidence and are concerned about their future, by providing precious advice to enable them to succeed at their job interviews and by sharing their professional network. Since 2014, this initiative has contributed to the recruitment of 44 young people, hired on permanent or fixed-term contracts.

Since 2017, our Paris site has been a partner of the initiatives of Sport dans la ville, a major non-profit organisation for inclusion through sports, which supports young people from social priority neighbourhoods as they undergo training and find jobs. Once again this year, the Paris employees were invited to contribute to CV writing workshops and job interview simulations intended for the long-term unemployed. In Angers, the Group continued to opt to pay its traineeship taxes to organisations, schools or entities that promote the employment of disabled people.

In 2019, the percentage of workers with a disability at the Rémy Martin Cognac site continued to comply with the legal requirement of 6%, despite a strong increase in temporary workers who were incorporated into the figures. Rémy Martin has successfully continued its efforts to integrate disabled people in both permanent and temporary roles, or through the Cognac work-based support centres.

Rémy Cointreau offers traineeships to train the talents of tomorrow. On the three French sites, young trainees (from vocational Baccalauréat to Masters level) learn a trade, with a view to quickly developing the meticulousness, creativity and professionalism required by the professional world. The Rémy Cointreau Group thus continued its proactive work-linked training policy, with the renewal of all work-linked training contracts where necessary and additional recruitment in new positions. These contracts accounted for 3.86% of the workforce in France at the end of March 2020.

Moreover, each trainee is also interviewed before their departure, in order to go over their training with the Group and share ideas for their future direction.

Lastly, in order to develop young talent and skills at an international level, Rémy Cointreau offers worldwide contracts under the international volunteer programme (VIE).

The Group monitors the Women managers/Men managers ratio, which stood at 45.5% for the 2019/2020 financial year at Group level and which increased compared with the previous financial year (44%). In France, we also monitor the indicator for the weighted difference in the rate of promotion between women and men per calendar year. In 2020, it was 1.39%, which reflects a promotion percentage (proportion of employees promoted in terms of socio-economic category) of 2.3% for women vs. 2.5% for men. This indicator is included in the calculation of the women/men equality index, as established by the implementing Decree and published in the French Official Journal of Legal Announcements of 9 January 2019. Please note that the more negative the weighted difference, the higher the proportion of women promoted. The Group will also publish the women/men equality index during the 2020/2021 financial year, in accordance with legal provisions.

Moreover, the Group makes sure that female and male employees have an equal access to training. In the 2019/2020 financial year, the ratio of Women/Men that benefited from at least one training course stood at 44.8%, in line with the proportion of Women/Men in the Group (44.5%) and with the ratio for the previous year (44%).

1.3.1.3 IN-HOUSE TRAINING AND SKILLS DEVELOPMENT

Challenge

Rémy Cointreau's challenge is to keep its employee skills development in line with the Company's needs in terms of qualification. The human resources policy must constantly anticipate the Group's needs and this is particularly the case as regards training.

Policy

Rémy Cointreau is committed to fostering skill development, particularly through in-house training, which is necessary to pass down the fundamental expertise required to craft our exceptional products.

Rémy Cointreau supports the development of its employees by giving them the possibility to expand their professional experience through geographical and professional mobility opportunities.

Action plans

Rémy Cointreau has continued to use its international tools to encourage the development of its employees' skills. The processes for assessing performance, succession plans, training and international mobility policies, which are each coordinated by a dedicated person at headquarters, are key assets for the implementation of collective or individual action plans aimed at supporting the career development paths of Group employees, promoting skills development and fostering employee performance.

Due to the international dimension of its business, as of 31 March 2020, 60.8% of Rémy Cointreau's workforce was located outside France. The Group believes that its multicultural dimension represents a significant asset in its international development. International mobility, both on a professional and geographic level, contributes to spreading the Group's values extensively throughout its organisation. To this end, Rémy Cointreau has formalised an international mobility policy whose purpose, through unified and standardised practices (shared global standards), is to encourage international mobility to better address the Group's needs such as employee career development or offering expatriate job opportunities to employees who so request.

The Group's commitment to diversity is also demonstrated by its willingness to favour building teams that include men and women of different ages, and with different training backgrounds and professional experience.

In particular, a process to identify key positions, shared with the Executive Committee, ensures that the Group can draw on the skills necessary for its development and/or guide human resources decisions in order to guarantee the Company's ability to operate in the long term.

Training is focused on sharing experiences in all countries where the Group operates. Rémy Cointreau encourages its employees to play an active role in their mobility and career development. Hand in hand with the Human Resources Department, managers actively take part in the skills development plans and the management of their teams' career paths.

For the 2019/2020 financial year, the Group set up an indicator expressed as a percentage of employees who have benefited from at least one training course a year. In this financial year, this indicator was 73.6% of employees for the scope covered (excluding Europe and Domaines des Hautes Glaces). The Group's ambition is to extend this indicator to production sites worldwide and sales subsidiaries of more than 20 people and keep this percentage above 50%.

In addition, the number of training hours declared in 2019/2020 for the entire Group scope, including both outside Europe and France, for employees on permanent contracts, was 31,677 hours, of which 15,539 were for women and 16,138 for men (GRI Standard 404-1). The aim is to be able to extend this indicator to production sites worldwide and sales subsidiaries with more than 20 people.

For example, at the Rémy Cointreau Cognac site, to support the implementation of open-space offices, which may potentially raise concern among the employees of the new product design centre and, shortly, at the headquarters of this company, a specific training programme was launched in September 2019. It was important to introduce training well in advance in order to drive this significant change and make employees comfortable with the project. To date, 63 employees attended this three-day module. This training provides the tools to understand this way of working, tools which are key to better communication and improved working in an open-space environment, where taking others into consideration as well as people's own needs is essential in building and maintaining smooth day-to-day working relationships.

In-depth understanding of the corporate culture is key to performance. Rémy Cointreau ensures support is provided to its newly-hired employees when they take on their positions through an onboarding programme, providing the opportunity to learn more about the values and history of our houses, as well as the management culture, which is very specific to Rémy Cointreau. In France in particular, the mentoring process forms an integral part of the onboarding programme. The aim is to give new employees the keys to facilitate their integration by rapidly understanding the Company's corporate culture. All new employees hired on permanent contracts at Rémy Cointreau are assigned a mentor. He/she shares all aspects of his/her experience of life at work and is a main point of contact who helps the employee find his/her away around the Company when he/she arrives and during the first few months.

1.3.2 Environmental risks

Environmental information covers the production sites in Cognac (France), Angers (France), Barbados and Islay (Scotland), the Paris administrative site, and the companies Domaines Rémy Martin (France), Domaine des Hautes Glaces (France) and Westland (USA). The *eaux-de-vie* storage site in Cognac is classified as Seveso high threshold on account of the quantities of *eaux-de-vie* ageing. The site is subject to a comprehensive Safety Management System (SMS).

The distribution subsidiaries are excluded from providing the information referred to below as their environmental impact is not deemed to be significant. The scope of application of each indicator is specified in section 1.5 "Note on methodology for reporting indicators".

1.3.2.1 SUSTAINABLE AGRICULTURE

Challenge

Rémy Cointreau's ambition is to remain the leader in economically-competitive winemaking whilst being intransigent on product quality and environmental protection. In this respect, Rémy Cointreau has a duty to help protect its *terroirs* and natural resources, which are the very foundation of the exceptional quality of its products.

The main challenge is to secure the long-term production of our agricultural raw materials by protecting know-how and refining the wine-growing and agricultural practices of our supplier partners.

Policy

One of the 2020 CSR plan's priorities is environmental protection: *giving back to the land what it lends us*. Since its creation, Rémy Cointreau has made its environmental commitment a long-term driver of its economic success, thanks notably to an ambitious certification policy to recognise the efforts made and to influence cultivation.

Wherever in the world that the Group operates, Rémy Cointreau's Houses are involved in protecting the land that they cultivate, both directly and indirectly. Looking after and respecting the *terroirs* from which they extract the character and authenticity of their products is essential. Soil, climate, air, biodiversity, production methods: every region is distinctive. The *terroirs* are the melting pot in which traditions are handed down and new expertise is developed. As small plots on an enormous planet, they are the places where women and men repeat ancient traditions that are enhanced at every step by each person's intuition. Every aspect of a *terroir* – geographical, human, cultural – contributes to the individuality of Rémy Cointreau's spirits. The quality of the environment and the wealth of biodiversity contribute directly to the excellence of the products.

At the Cognac site, the excellence of Rémy Martin's cognac *eaux-de-vie* is down to its grapes. To make the most of them, Rémy Martin relies on a trusted partner, the Alliance Fine Champagne (AFC) agricultural cooperative, from which it has sourced its supplies since 1966. This cooperative structure accompanies its growth. This partnership embodies the Group's efforts in environmental protection. Rémy Martin also has its own vineyards, grouped under Domaines Rémy Martin. The latter are now used as a fully-fledged testing platform to promote the Group's innovative and environmentally-friendly winemaking policy.

Action plans

The policy of protecting terroirs is reflected in the responsible and sustainable agricultural practices used to produce all our raw materials and the ambition that all the land used benefit from a responsible and sustainable agricultural standard or label.

In 2017/2018, the first global terroir mapping was carried out with the creation of a new indicator to demonstrate and manage this commitment. This first stage enabled an estimation of the agricultural land used for Rémy Cointreau's strategic supplies:

In 2017/2018, the focus was on creating the first global *terroir* map and introducing a new indicator to demonstrate and manage this commitment. This first stage enabled an estimation of the agricultural land used for Rémy Cointreau's strategic supplies:

- vineyards for Rémy Martin and LOUIS XIII cognacs and St-Rémy brandy;
- cereal production land for the Bruichladdich, Westland and Domaine des Hautes Glaces whiskies;
- land devoted to growing sugar cane for Mount Gay rum;
- land devoted to growing oranges for the Cointreau liquor.

This year, based on the information collected, just over 15,000 hectares of agricultural land and vineyards are used by Rémy Cointreau in total.

As a result of the actions carried out mainly by the Cognac, Angers and Westland sites, 58% of the land is sustainably farmed. This percentage has been increasing steadily for the past two years (36% in 2017/2018, 52% in 2018/2019).

The Group's ambition is for all the farmland needed for its brands to be cultivated in accordance with a responsible and sustainable agricultural model by 2025 (2025 CSR plan).

In view of this target, a three-day meeting was held on the Isle of Islay in September (Creators' Conference). It brought together all the Group's product creators around the theme of responsible and sustainable agriculture and the preservation of *terroirs*. External experts shared their knowledge with our employees on the specific qualitative attributes of the *terroirs* and the impacts of global warming on agricultural practices.

Introducing eco-friendly growing methods at the Cognac site

Domaines Rémy Martin have continued to contribute to the quest for environmental excellence in French winemaking, associated with the reduction in the use of pesticides and fertilisers.

They are members of the Ecophyto network, a national initiative originating from the *Grenelle de l'Environnement* and coordinated by the French Ministry for Agriculture. This initiative seeks to gradually decrease the use of pesticides and thus cut soil pollution.

Of the 235 hectares of vineyards owned by Domaines Rémy Martin, 32 hectares are set aside for wine-growing, agronomic and environmental experiments. The aim of these experiments is to address various challenges, such as reducing pesticide use, producing quality *eaux-de-vie* while factoring in climate change and developing new technologies.

Particular attention is paid to the application of these new technologies. They are seen as a real way forward in improving knowledge among wine-growers, adapting techniques and optimising work from a technical, economic and environmental point of view.

Several tools have been tested this year, on the ground or in the air, for the purpose of plot mapping (on-board or aerial sensors on drones). These are used to assess the intensity of the vegetation and therefore the health of the vines within the same plot. Some 5,500 measurements are carried out over a single hectare. These are then used to optimise practices to reduce inputs. The aim of these tests is to scale back the use of plant protection products, depending on the results of the measurements.

Other studies are also being carried out on:

- using biocontrol products to combat vine diseases:

  The Ecosystem Balance and Biocontrol project is a unique experiment in Charente.

  In 2018, as part of the Ecophyto 2 plan, Domaines Rémy Martin set up a pioneering test bed in the region with the Institut Français de la Vigne (IFV). The aim is to test crop systems that reduce the need for plant protection products by introducing biocontrol products without affecting the quality of the *eaux-de-vie*.

  Qualitative and quantitative tests have been carried out on the *eaux-de-vie* over two very different years. The results indicate changes in vine performance, mainly due to climatic conditions.

  The study will continue until 2023 in order to analyse how the vines respond in general to this new cultivation practice;
- using green fertilisers:

  Domaines Rémy Martin are studying the use and management of winter coverings such as green fertiliser. The aim is to generate significant plant biomass during the vine's rest period (autumn-winter-start of spring), to capture the nitrogen (soil and atmospheric) and to return it to the vine during the growing period in order to reduce external inputs. As well as limiting the effects of erosion and leaching, it also reduces fertiliser use and encourages soil biodiversity;
- selecting resistant grape varieties:

  The study is focusing on new alternatives for combating mildew and powdery mildew with the assistance of new grape varieties selected by the Bureau National Interprofessionnel du Cognac (BNIC) (the national body representing growers in Cognac) and the Institut national de la recherche agronomique (INRA) (the French institute for agricultural research). At the end of the selection phase, three different grape varieties were selected and planted in 2018. The suitability for cultivation and the qualitative aspects of these grape varieties are being studied;
- Decision support tools (DST):

  These tools are used to assess pest pressure on the vineyard (the main grape diseases) in conjunction with meteorological information, both on a local and regional scale. The aim of the study is to test the relevance and reliability of the information used to manage grape diseases.

Since, 2012 Domaines Rémy Martin, "integrated agriculture" certified since 2009, has obtained level 3 in AFNOR's "high environmental value farming" (HVE) certification since 2012. In addition to rewarding action to preserve biodiversity and reduce pesticides, this is also a recognition of the efforts made and a guideline for daily activity.

This certification was renewed again in 2018 for a further three years. Domaines Rémy Martin are registered in the national directory of HVE level 3 certified agricultural holdings.

As part of this certification, employee training continues to focus on the responsible use and management of treatment products (GRI Standard 404-1).

Rémy Cointreau would like to involve not only its internal partners in this, but to encourage all Alliance Fine Champagne (AFC) winemakers and distillers to obtain HVE certification.

A specific 2020 CSR working group was created within the AFC in 2016 to establish an HVE certification programme and communicate the objectives of the Rémy Cointreau CSR plan to the cooperative.

This year, some of the Group's work focused on implementing the objectives of the 2025 CSR plan:

- HVE certification of cooperative farms;
- fight against global warming;
- management of water and liquid waste.

Under the 2020 CSR plan, the objectives were as follows:

- 100% of cooperative members involved in the environmental approach by 2020;
- 50% of winegrowers certified HVE level 3 by 2022 (by area under vine).

The Ministry for Agriculture and Food's HVE environmental information brochure has been circulated to all of the AFC's winegrowers. Several "Meetings with Maison Rémy Martin" events have been organised in order to encourage winegrowers to become involved in the AHVE system. The aim of these meetings was to unveil the ambitions of the AFC and Rémy Martin in terms of HVE certification. Rémy Martin's cellar master and winegrowing and wine production consultants have hosted some 20 meetings, fostering direct and constructive discussions in a bid to achieve the HVE certification targets.

This year, 123 winegrowers followed the two-day AHVE level 1 training course which includes the local Sustainable Winemaking guidelines. For five years therefore, all winegrowers have been following the environmental approach, representing 100% of the cooperative's vineyards.

The first target of the 2020 CSR plan has thus been achieved. The second target has been exceeded by a wide margin, with 41 winegrowers obtaining HVE level 3 certification this year, the highest level of engagement with this certification. There are now 224 certified winegrowers, equivalent to 50% of the cooperative's vineyards. The initial target under the 2020 CSR plan was thus achieved two years earlier than expected.

By meeting these HVE targets, the AFC also meets those set by the BNIC, which is committed to an environmental certification approach thanks to new local "sustainable winemaking" guidelines.

Largely as a result of the AFC certification project, the Charente region is one of the regions most closely involved in the HVE certification process: these 224 winemakers represent 83% of the total level 3 production in Charente.

For the past two years, Rémy Martin has held an annual *Centaure de l'Environnement* award ceremony in recognition of HVE-certified winegrowers. The award was presented this year to 62 winegrowers in recognition of their efforts and commitment to environmental excellence in 2019.

To promote the AFC certification process to a wider audience, a digital press kit consisting of nine short films has been posted online (env.remymartin.com). It provides factual information on Rémy Martin's environmental approach, highlighting the various initiatives led by the AFC and Domaines Rémy Martin.

Rémy Martin aims to establish close ties with winegrowers and to provide them with all the necessary information about the partnership and the Company itself. For this reason, it created the Rémysphère Newsletter. It is timed to coincide with the different winemaking phases, *i.e.* flowering, harvest and distillation.

The newsletter, distributed in hard copy and also available on the rémysphère.com website, also provides regular information to winegrowers on the Group's results, brand updates and news on the economic climate as well as technical developments. The website also features a special section with a regular CSR update and provides information on the progress of the AHVE project.

The "House of Rémy Martin Quality Guide" is also closely linked to the AFC. Reviewed by the cooperative's "Environment & Quality" Committee, this collective work contains practical advice on HVE environmental certification, food safety and the quality of wines and *eaux-de-vie*. The first part of this document describes Rémy Cointreau's CSR policy.

Taking a forward-looking approach, a meeting was also held this year between AFC winegrowers and two experts on the topical subject of precision viticulture. Technological and digital advances in agriculture and possible applications in viticulture were discussed at the meeting. These discussion forums are popular among our winegrower partners, since they enable them to voice their concerns, questions and expectations in the face of future winegrowing challenges.

Islay site: acquisition of plots of land and introduction of sustainable agriculture

The actions of our teams on Islay in Scotland (PHD: Progressive Hebridean Distillers, which covers the Bruichladdich, Port Charlotte, Octomore and The Botanist brands) are helping to showcase the potential of the local *terroir*. The reintroduction of different varieties of traditional barley and the preservation of Bere barley are now assets for the Company, which is also supplied with barley produced on the banks of the Moray Firth in north-east Scotland. A product of organic farming, a five-year crop rotation system is followed in order to maintain soil fertility.

In 2018/2019, PHD acquired 15 hectares of land to develop programmes to study sustainable farming practices. These plots of land will also be used to test different varieties of barley.

In late 2018, a Croft Summit, which included representatives from Domaine des Hautes Glaces and Westland, was held on Islay to examine different ways of cultivating the new plots as sustainably as possible. The event was attended by soil and crop experts, specialists, organic farmers and researchers from all over the world. Following discussions with PHD teams, a major project was devised to plant several varieties of barley on test plots, in order to test those best suited to the island's *terroir*, without using synthetic products. The aim is to improve knowledge of local growing conditions and to adapt farming practices to preserve the *terroir*.

Ultimately, other farmers on the island will also benefit from it. This underscores PHD's commitment to be as close as possible to its agricultural partners and to be a real player in the sustainable development of the *terroir* on Islay. To that end, rye cultivation tests are being carried out on the island. This could be an alternative to intensive barley cultivation.

For the past year, the Bruichladdich distillery has been certified in accordance with EU legislation on organic production and labelling of organic products (Council regulation (EC) no. 834/2007 and Commission regulation (EC) no. 889/2008).

Lastly, in May 2020, the Bruichladdich Distillery was certified "B Corporation" (B-Corp).

This outstanding achievement is in recognition of Bruichladdich's social and environmental performance.As a result, the distillery joins an international club of more than 3,000 companies that have adopted a rigorous approach to their decision-making, looking beyond profitability to factor in human and environmental considerations.

Developing career opportunities for 80 employees, optimising employee benefits and training programmes, and using local suppliers wherever possible, are just some of the actions taken by Bruichladdich as a community-focused business. Over the next few years, Bruichladdich will also adopt an ambitious sustainability programme linked to the 15 hectares of land reserved for research and development on responsible agriculture.

This certification confirms the relevance of the mission that Bruichladdich set itself in 2011 to act transparently, sustainably and in the community interest.

Cointreau: measuring the use of sustainable agriculture in orange production

In 2018, Cointreau launched its "Orange & *Terroir*" project, based on four main areas:

- the use of responsible and sustainable agriculture;
- environmental protection;
- building partnerships with suppliers modelled on Cognac's AFC wine cooperative;
- the search for an international standard for responsible and sustainable agriculture.

The commitment of orange suppliers to responsible and sustainable agriculture is therefore crucial.

To evaluate this commitment in practical terms, Cointreau has published its own internal "Sustainable Agriculture" standards based on the French HVE standards. It has also adopted the international GLOBALG.A.P standards, and specifically the Fruit and Vegetables Certification.

Following the initial audit in 2019, further audits were carried out this year. The results show a real willingness among our suppliers to implement a sustainable agriculture model.

This is evidenced by the rapid year-on-year increase in the percentage of farmland cultivated according to a responsible agriculture model by our orange suppliers, reaching almost 50% this year.

The target set by the 2025 CSR plan is that eventually, all oranges used to make Cointreau liqueur will be grown sustainably.

St-Rémy: supplier awareness of sustainable agriculture

In 2018/2019, to raise supplier awareness of Rémy Cointreau's "Sustainable Agriculture" project, an information meeting was held with the main supplier of *eaux-de-vie*.

This addressed the following points:

- presentation of Rémy Cointreau's CSR policy;
- method of calculating the size of the area used for supplies;
- the agricultural practices implemented;
- carbon emissions associated with *eaux-de-vie* production.

Following this meeting, a questionnaire was sent out to the main wine cooperatives to gather environmental information on their winemaking practices. The responses will be used to map the cultivation methods of winegrowing areas in France where we source our supplies. This will enable us to build a concrete action plan to meet the target under the 2025 CSR plan (all agricultural supplies to be sourced from responsible and sustainable agriculture).

Another newsletter is also being published for our employees. Covering the latest developments, it is sent out each month with information on CSR issues relating to sustainable agriculture and viticulture in France and Europe.

Protecting natural resources in Barbados

In Barbados, Rémy Cointreau incorporates the protection of natural resources in all of its activities. Mount Gay is contributing to the renewal of traditional expertise in sugar cane cultivation. While organising improved management of the raw material, the Group's work to rediscover the local specifics relating to sugar cane is behind the development of a shared awareness.

Following the purchase of the Mount Gay distillery, in 2018 the Group acquired 134 hectares of sugar cane plantations. It is continuing to experiment with new organic growing and permaculture techniques, with advice from the world's leading experts in soil cultivation. Each plot is identified in order to monitor the test results of the different production methods (organic cultivation, crop rotation and permaculture). The aim is to convert the entire plantation to organic farming within five years.

As part of the Group's "Sustainable and Responsible Agriculture" project, actions were launched this year to ensure the responsible sourcing of Mount Gay's agricultural raw materials.

Domaine des Hautes Glaces and local development

Using the surrounding cereal crops, Domaine des Hautes Glaces is creating – at the moment on a small scale – products that are the fruit of a local development project in which farmers are committed partners. This relatively new brand emphasises its links to the region, for example by encouraging crop rotation to improve soil management and creating a balance through agricultural economics.

The project resonates effortlessly with the Group's values. Domaine des Hautes Glaces is working with local farmers to develop new varieties of organic barley, rye, spelt, oats and triticale. The creation of this new rural whisky offering brings a new vision for regional development and sustainable opportunities from converting farms to organic agriculture. Domaine des Hautes Glaces thus captures the essence of the local area, soil and climate.

The Group is exploring and reviving centuries-old local expertise, far removed from standards and stereotypes. This includes the still, made by a local boilermaker and heated by a wood pellet burner. This year, one of the distillery's products was sold in a bottle made using hand-blown glass by a local glassmaker, before being placed in a wooden box made from local materials.

For the past year, the Domaine des Hautes Glaces distillery has been certified in accordance with EU legislation on organic production and labelling of organic products (Council regulation (EC) no. 834/2007 and Commission regulation (EC) no. 889/2008).

Westland and crop rotation

Westland, based in Seattle in the United States, joined the Group in early 2017. It produces single-malt whiskey exclusively from local barley.

In line with the 2025 CSR plan, Westland is committed to sustainable and responsible agriculture. To that end, farmland has been acquired to study crop rotation and agricultural practices that protect the environment and promote biodiversity.

To support this action, since 2015 Westland has established several research partnerships with local universities to study a more sustainable agricultural system. This year, a new partnership was set up to research old endemic varieties of barley.

Westland also signed up to the 2025 CSR project "Responsible and Sustainable Agriculture" by increasing the number of suppliers of sustainably grown barley. In one year, the percentage of farmland cultivated under a responsible farming model for barley supplies has risen to almost 30%.

1.3.2.2 BIODIVERSITY CONSERVATION

Challenge

Biodiversity conservation has become a major concern. Natural habitats such as farmland and woodland are under threat. This could potentially have an impact on *terroirs* and the production of raw materials (cereals, grapes, sugar cane, oranges, wood, etc.). Rémy Cointreau thus has a duty to play an active role in biodiversity conservation. It is also a question of the Group's reputation with its customers.

Policy

Rémy Cointreau prioritises the long-term development of its brands. They share common core values, central to which are responsible agriculture and biodiversity.

As mentioned in the previous paragraph (and in section 1.3.2.1 "Sustainable agriculture"), at each of the Group's locations around the world, Rémy Cointreau is committed to the stewardship of the land it farms either directly or indirectly. The biodiversity of each region is unique and plays a major part in the distinctiveness of Rémy Cointreau's spirits. It is vital that the Group takes action to protect this biodiversity according to the *terroirs* and natural resources used.

From Charente to the Pacific North West, Rémy Cointreau accordingly gives special consideration to each site, taking steps to conserve its biodiversity so that it can secure the site's long-term future and continue making exceptional products.

To reflect this commitment, Rémy Cointreau is continuing to support the "act4nature" initiative, joining other leading French companies in campaigning for biodiversity. To that end, Rémy Cointreau has signed a collective declaration on the inclusion of nature (fauna, flora, ecosystems, etc.) in the Company's strategy. The aim is to take concrete action for biodiversity conservation and restoration. Rémy Cointreau has chosen six major commitments, ranging from employee engagement to agricultural practices, HVE certification in France and the protection of *terroirs*, forests and bees.

Action plans

Cognac site

Because forest cover helps protect biodiversity by safeguarding natural habitats, Rémy Martin has been involved for nearly ten years in protecting forests in France through a corporate sponsorship initiative in partnership with the French Forestry Commission (Office national des forêts – ONF):

- **2010/2012**: funding for a scheme to plant 115,000 oak trees on around 40 hectares in the Senonches national forest in Eure-et-Loir, France.

  The aim was to replace existing tree species on this site (Sitka fir and Douglas fir) with sessile oak, and thus encourage biodiversity through improved compatibility with the region's climate, terrain and soil;
- **2013/2014:** funding for the restoration of the Parc François Ier in Cognac, which was severely damaged during the great storm of 1999.

  The new landscaping work was approved by the local council and consisted of planting more than 300 oak trees and building a wooden observatory on a natural promontory. A nature trail with information boards was also created, to raise public awareness of biodiversity conservation issues;
- **2015/2016:** funding for improvements at La Braconne Bois-Blanc national forest.

  Located east of Angoulême, this forest is the largest forested area in the Charente region and was also affected by the 1999 storm. To raise public awareness of forestry protection by providing first-class visitor facilities offering enjoyable new ways for visitors to experience the forest, the ONF has developed a multimedia trail and harnessed new information and communication technologies to communicate its message (smartphone app);
- **2016/2017:** funding for improvements in the Vouillé Saint-Hilaire national forest (Poitou-Charentes). Designed to raise public awareness of biodiversity, the project involves afforestation and the planting of 300 oak trees near to a visitor centre;
- **2017/2018:** funding for a sponsorship scheme to secure the future of the Moulières national forest in Vienne. The project focused on forestry renewal with the reforestation of a dozen hectares with more drought-resistant oaks;
- **2018/2019:** funding for two sponsorship schemes involving pedunculate oak.

  The first project, entitled "Renessence", is aimed at creating a network of small plantations to find out whether pedunculate oak trees in Poitou-Charentes can adapt to climate change. The second project consists of establishing pedunculate oak in the Monnaie national forest (Maine-et-Loire), to promote and preserve this species in the forest.

In the coming years, a special effort will be made to grow pedunculate oak, characteristic of the production of Rémy Martin cognac.

Contact is also being made with the ONF and CNPF (the body responsible for sustainable forest management in France) to identify possible partnerships for low-carbon reforestation projects.

This year, Rémy Martin continued its partnership with the non-profit organisation "*Un toit pour les abeilles*" and a new beekeeper producing organic honey. Ten hives were set up in Charente, in the middle of the Bel-Air forest. This offers a protected environment away from sources of pollution.

The honey is certified as organically produced and carries the "Bio Sud-Ouest France" label. As in previous years, it was distributed to all employees in France. Each pot of honey is accompanied by an educational leaflet on the importance of bee protection.

Domaines Rémy Martin, in partnership with the French Bird Protection League, is involved in the ecological monitoring of a site on the banks of the Charente: flora and fauna surveys were carried out in 2017 and are repeated every three years. These will improve forest management and preserve the biodiversity of the site. The monitoring carried out to date shows an improvement in species diversity on the site. The planting of several tree species (poplar, ash, etc.) on this site also plays an important role in filtering drinking water and contributes to biodiversity conservation (GRI Standard 304-3). The first diagnostic assessment carried out revealed a high floral diversity, the presence of four remarkable plant species on the banks of the Charente, and fourteen remarkable species of wildlife, also near the river bank.

This year, a forest survey was carried out on the plot. The results are extremely satisfactory and indicate that afforestation is steadily increasing. This proves that biodiversity conservation as an environmental objective does not adversely affect the growth of planted trees. The plot therefore meets the two commitments of effective biosequestration of atmospheric carbon and conservation of local flora and fauna.

The biodiversity of the plot will be monitored in 2021, as set out in the initial three-year plan.

Domaines Rémy Martin, in partnership with the Charente Chamber of Agriculture, uses green fertiliser to fertilise the soil naturally at the vineyard and thus promote biodiversity. Wildlife corridors have been set up at various locations on the estate to allow fauna, insects and flora to re-establish habitats. The preservation of hedges and the cultivation of wildflower meadows also help encourage bees, which are essential for natural ecosystems to function.

This year, in association with the ONF, Domaines Rémy Martin invested in a new initiative for local biodiversity conservation. The reforestation of a 0.6 hectare agricultural plot was carried out at Domaine du Grollet, near St-Même-les-Carrières in Charente. Nearly 850 pedunculate oak trees were planted on the plot at the end of 2019.

Islay site

The principal mission of The Botanist Foundation is to work with the island's inhabitants. The aim is to improve understanding and conservation of the island's botanical diversity. Protecting species is a vital aspect for the future of The Botanist, the one and only gin on Islay. A total of 22 plants are harvested for the distillation process. Ensuring that the island's crops are harvested sustainably and responsibly builds on the Group's work in Scotland, underscores the coherence of its policy and makes a substantial contribution to local biodiversity conservation.

Bruichladdich also shares its commitments to biodiversity conservation with its barley-growing partners. The aim is to involve them over the long term with Bruichladdich's plans to test different varieties of barley and rye on Islay.

Westland

Various efforts are being made by Westland to conserve biodiversity.

The first project concerns the preservation of an unusual variety of oak, *Quercus garryana*, used to age its whiskeys. These are obtained solely from local forests and Westland is careful to source wood only from trees that have fallen, either naturally or as a result of storms.

A partnership has been set up with a local company to restore the natural habitat of these oaks in a nature reserve. The aim is to plant trees and to re-establish local fauna found in *Quercus garryana* oak forests. For example, work has been carried out to reintroduce a species of bird that usually lives in this type of forest.

Over the past two years, 600 *Quercus garryana* have been planted, with the goal of reintroducing an additional 2,000 over the next five years.

The emphasis is also on research into barley obtained from responsible farming practices that promote biodiversity. For example, Westland's main source of supply is local, from the Skagit Valley. Nearly 80 different varieties of barley are grown in this valley.

Cointreau

The supply of oranges is a major challenge for Cointreau. As a result, it is essential for Cointreau to ensure that the natural biodiversity of this citrus fruit is preserved.

This year, Cointreau worked with the San-Giuliano research site in Corsica, which houses a unique collection of 800 varieties of citrus fruit. Cointreau helped to replant 1,200 species of lemons so that their properties could be studied to improve production.

An ambitious research project was also set up in Corsica on the genetics and aromatic diversity of oranges and bitter oranges. The link with the *terroir* will also be studied. The results of these studies are expected in 2022.

Mount Gay

The Mount Gay distillery is a pioneer in maintaining the biodiversity of its *terroir* and of Barbados as a whole.

Mount Gay has planted numerous species of trees such as banana, mango, carambola and avocado on its property. Forgotten plant varieties have also been reintroduced.

Furthermore, since 2018, Mount Gay has been involved in the We Plantin national tree replanting scheme launched by the Barbados government. This year, more than 600 trees and ornamental or perennial plants have been planted at several sites. On the Mount Gay property, land that cannot be planted with sugar cane is used to grow trees (coconut, banana).

Near the distillery, a bee garden has been created in front of the residence. It includes an apiary and numerous varieties of plants suitable for bees are grown there (basil, bay, palm, etc.). A grove of 25 mahogany trees was also planted by Mount Gay staff and is home to another apiary. Ten more trees will be added in the coming months.

Lastly, a nursery has been established to develop the different varieties of sugar cane that can be planted on Barbados. The studies focus on the physical and physicochemical properties of the plants, as well as their adaptability and resistance to sugar cane pests and diseases.

The Barbados site has long-standing ties with the world of sailing and the sea. With this in mind, Mount Gay has decided to support the efforts of Oceana, the world's largest organisation for ocean protection and conservation. The partnership covers initiatives to abolish single-use plastics.

1.3.2.3 CLIMATE CHANGE

Challenge

Mindful of the impact of its operations, Rémy Cointreau has an obligation to contribute to the global effort to reduce global warming to 2°C. It is a question of the Company's sustainability, its reputation with its customers, and its response to the possibility of a future carbon tax.

Climate change could have a highly significant impact on the level of production and quality of our products, whether it be cognac, whisky and gin from Islay, whisky from Isère, or whiskey from Washington State.

Rémy Cointreau's new motto, "*Terroirs*, people and time", underscores the importance of nature for its business.

The main consequences in terms of risks would be:

- a change in meteorological conditions (warming or cooling) which could affect harvests and production:
  - in a few years, Rémy Cointreau could face smaller harvests, forcing it to scale back production,
  - in the longer term, the displacement of growing areas would have a critical impact on Rémy Cointreau, calling into question the notion of *terroir*;
- an impact on Rémy Cointreau's financial performance, since any decline in production would necessarily entail a sharp rise in the price of raw materials.

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Policy

As regards environmental issues, the Group has made long-standing and strong commitments, as it shares the concerns expressed during the 2015 COP21 conference held in Paris. The conference brought together countries from around the world to discuss these issues. The 21st Conference of the Parties reached an agreement to limit the temperature rise to less than 2°C, or even 1.5°C, by 2100. These targets are consistent with those set internally by Rémy Cointreau as part of the 2020 CSR plan. The main challenges of this plan were defined with a view to involving the whole company. One of the most important of these concerns the measurement and reduction of greenhouse gas (GHG) emissions at all levels of the business, as well as the eco-design of products and their transportation.

The 2025 CSR plan continues to address these major challenges, but this time with quantified targets for 2025 and 2030.

Aside from these targets, Rémy Cointreau has joined the international movement to tackle climate change. Its aim is for its business to be carbon-neutral by 2050, based on the "Net Zero Initiative" method. The Group is therefore keen to play its part in France's National Low Carbon Strategy and Climate Plan, with a view to achieving carbon neutrality by 2050. On that basis, the Group reiterated its commitment this year to the "French Business Climate Pledge" for the period 2020/2023.

The plan to reduce the Group's GHG emissions and carbon footprint was developed this year using the Science Based Target (SBT) method. This method was used to set the target for the reduction in the Group's carbon emissions across all its businesses (scopes 1, 2 and 3). Progress indicators have been defined and have already been shared with employees.

The plan is based on Rémy Cointreau's practice of measuring its carbon emissions according to the *Bilan Carbone®* standard since 2006. For the past two years, the GHG Protocol standard has been used to harmonise the responses to global surveys such as the Climate Change survey of the Carbon Disclosure Project (CDP).

Actions have been taken for several years to successfully reduce CO_2 emissions. These cover winemaking practices, energy efficiency, the increasingly systematic use of videoconferencing, the introduction of electric vehicles at the Group's sites, the eco-design of packaging and the optimisation of product transportation.

This year, scopes 1, 2 and 3 were updated again to refine and elaborate on the data obtained the previous year. The scope covers the whole of Rémy Cointreau's production at the Cognac, Angers, Barbados, Islay, Westland and Domaine des Hautes Glaces sites (GRI Standard 305-3).

The upstream and downstream impacts of transport are also monitored worldwide. This year, a new tool for measuring the impacts of the "downstream" distribution of products was introduced. This will ensure that carbon emissions associated with this activity are measured reliably from the next financial year.

As a listed company, the Group meets the requirements of Article 173-IV-A of the French law on energy transition and green growth.

The information given in the following paragraph is taken from the management report.

Action plans

Climate change adaptation

Climate change could have a dramatic impact on the production and quality of the agricultural raw materials used by Rémy Cointreau, due both to the increase in sunshine and the frequency of adverse weather events such as frost.

Our teams are therefore committed to medium- and long-term actions to ensure the quality and sustainability of the Group's supplies.

COGNAC SITE

The impacts of global warming could lead to an increase in pressure from fungal diseases that affect vines, such as mildew or powdery mildew. This could then have an impact on the quality of the wines and *eaux-de-vie*.

In Cognac, Domaines Rémy Martin are involved in three major studies:

- study of a new grape variety (selection of an old grape variety).

  The study focuses on the physiological and qualitative attributes of an old grape variety in order to assess its adaptability to climate change.

  It is being conducted in partnership with the BNIC and CVC, the organisation responsible for vineyard conservation in the Charente region.

  An 8,000m² site was planted for the study, which covers the period from 2018 to 2028 (harvesting of grapes, monitoring and distillation of the wines obtained);
- grape varieties resistant to mildew and powdery mildew.

  The aim is to find definitive answers to the questions of productivity, quality of *eaux-de-vie*, climate change adaptation, reduction of plant protection inputs and environmental best practice.

  Since 2003, grape varieties resistant to the main vine diseases and suitable for Cognac production have been created by crossing a resistant grape variety with Ugni Blanc, currently the main grape variety in the Cognac region.

  Eight hundred seeds were obtained, from which three resistant varieties were selected and planted in small plots on the estate. The study is taking place from 2018 to 2028 in association with the BNIC research site and INRAE (the French National Research Institute for Agriculture, Food and the Environment).

  The aim is to have plant material available in the short, medium and long term that is suited to the challenges faced by the sector, including global warming, and to assess its ability to produce quality *eaux-de-vie*;
- grape acidity and wine preservation potential.

  Global warming could also have an impact on wine preservation potential. It is essential therefore to maintain the acidity content of the grapes.

  A study has been launched in association with the Bordeaux Institute of Vine & Wine Science (Institut des Sciences de la Vigne et du Vin de Bordeaux – ISVV) on how to manage the vines to boost grape acidity. Two plots of vines have been monitored on the estate since 2017 and different wine-growing practices will be studied until 2022 (leaf removal, pruning).

  The measurements carried out will cover the impact on the Leaf Area Index (LAI) and the resulting change in acidity of the must, wine and distillate obtained from the first distillation (*brouillis*) and the quality of the *eaux-de-vie* produced.

ISLAY SITE

In 2018/2019, Bruichladdich acquired 15 hectares of land in order to develop programmes to study sustainable farming practices linked to climate change forecasts.

A Croft Summit, which included representatives from Domaine des Hautes Glaces and Westland, was held on Islay in late 2018 to examine different ways of cultivating the new plots. A large-scale project was also developed, in which several varieties of barley will be planted on test plots to find the most suitable varieties for the island's *terroir* and those most resilient to global warming.

The aim is to improve knowledge of local growing conditions and to adapt farming practices to preserve the *terroir* and ensure its sustainability.

WESTLAND SITE

Every year, climate change causes unstable meteorological conditions. In response to this, Westland has launched a project in partnership with Washington State University to select barley by encouraging wider genetic diversity.

This natural diversity will make it easier to adapt to extreme weather events such as drought or cold, which are caused by rapid climate change.

The trials carried out led to an initial production batch being obtained this year. The results are encouraging, with a complexity of flavour guaranteeing a high-quality end product.

Apart from these initial findings, the aim is to ensure the sustainability of production from the local *terroir*.

MOUNT GAY SITE

On the island of Barbados, which lies in a water-stressed region, global warming could have an impact on water quality and availability.

To address this risk, Mount Gay has embarked on several initiatives:

- construction of two greenhouses fitted with irrigation systems and equipment allowing the study of different varieties of sugar cane and the preparation of food crops;
- the creation of a pond for the capture and storage of rainfall to be used in crop irrigation;
- the planting of drought-tolerant plants as part of a crop rotation system (*e.g.* cassava).

The expected results will thus enable local sugar cane cultivation to continue under more severe drought conditions, which is essential to ensuring the sustainability of the *terroir* of Barbados.

Information on the main sources of greenhouse gas emissions

CO_2 emissions for scopes 1, 2 and 3 totalled 180,449 Teq CO_2. This breaks down as follows (GRI Standard 305-3):

- Cognac site: 79,735 Teq CO_2;
- Angers site: 51,405 Teq CO_2;
- Barbados site: 29,183 Teq CO_2;
- Islay site: 16,883 Teq CO_2;
- Domaine des Hautes Glaces site: 389 Teq CO_2;
- Westland site: 1,474 Teq CO_2;
- Domaines Rémy Martin site: 1,380 Teq CO_2.

For the first time, carbon emissions associated with promotional items were included in the carbon footprint (scope 3).

These are negligible and account for less than 0.3% of the Group's total emissions.

Compared with the previous year, the rise in total CO_2 emissions (+5.1%) was primarily due to the increase in scope 3 emissions, which was mainly due to the greater scope covered: the information included in 2018/2019 was only partial for the Barbados, Westland and Islay sites. This year, these three sites provided all the data necessary to calculate a complete scope 3. As a result, the categories "Capital goods" (construction of new buildings at the Cognac and Islay sites) and "Upstream transportation" (mainly due to the upstream supply of glass bottles at the Barbados site) rose significantly.

At comparable scope, total carbon emissions fell by 6.7% to 160,118 TCO_2eq. The "scope" effect then represents an increase of 20,331 TCO_2eq, i.e. a rise of 11.8% in total carbon emissions.

The main sources of greenhouse gas emissions for Rémy Cointreau are as follows:

- product packaging: 73,329 Teq CO_2 (40.6% of total emissions);
- agricultural raw materials: 23,469 Teq CO_2 (13.0% of total emissions);
- downstream product transportation: 22,004 Teq CO_2 (12.2% of total emissions).

Compared with the previous year, significant emission items remain the same.

This year, the 2025 CSR plan includes a plan to reduce CO_2 emissions based on the global SBT (Science-Based Targets) initiative. This plan reflects Rémy Cointreau's commitment to developing a strategy in which carbon neutrality and the fight against global warming are key.

The SBT method was rolled out across the Group's businesses and enabled the following carbon emissions reduction targets to be set, based on the 2018/2019 carbon footprint assessment:

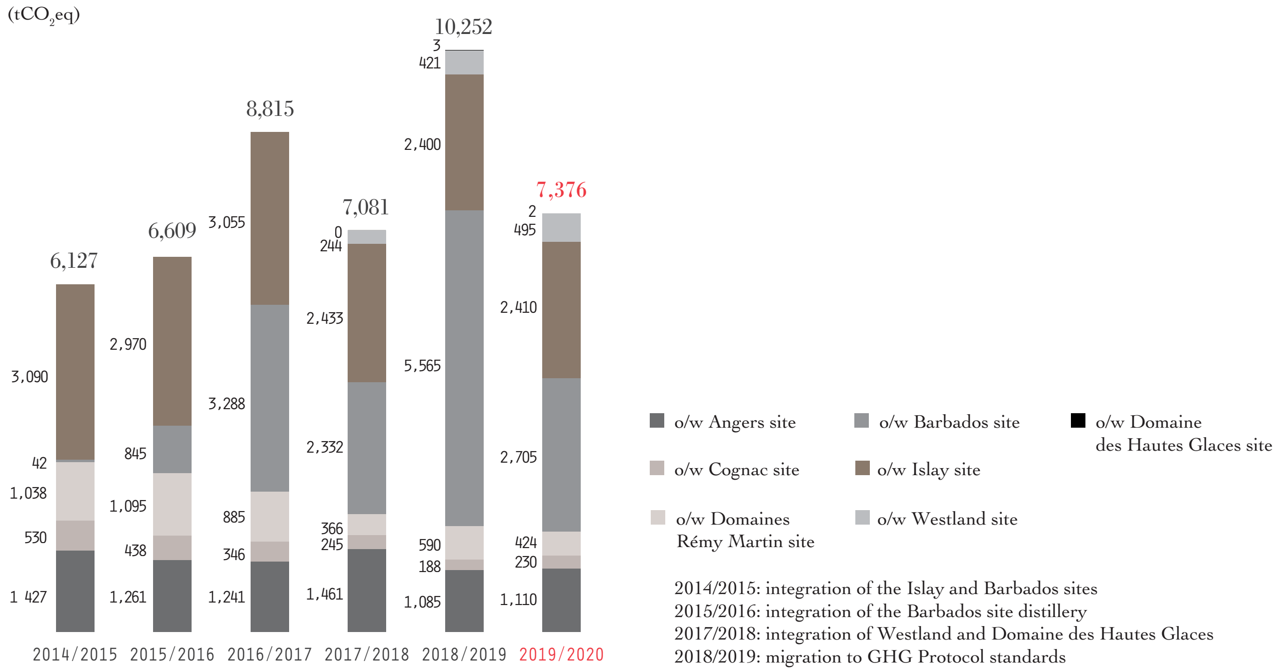
	2025 targets	2030 targets
CO_2 emissions reduction rate – Scopes 1 & 2, in absolute terms, in %	25	50
CO_2 emissions reduction rate – Scope 3, in intensity, in %	28	50

Over the coming months, several working groups within Rémy Cointreau will have the task of transforming these targets into actions. The end goal is to achieve the Net Zero defined by the SBT initiative.

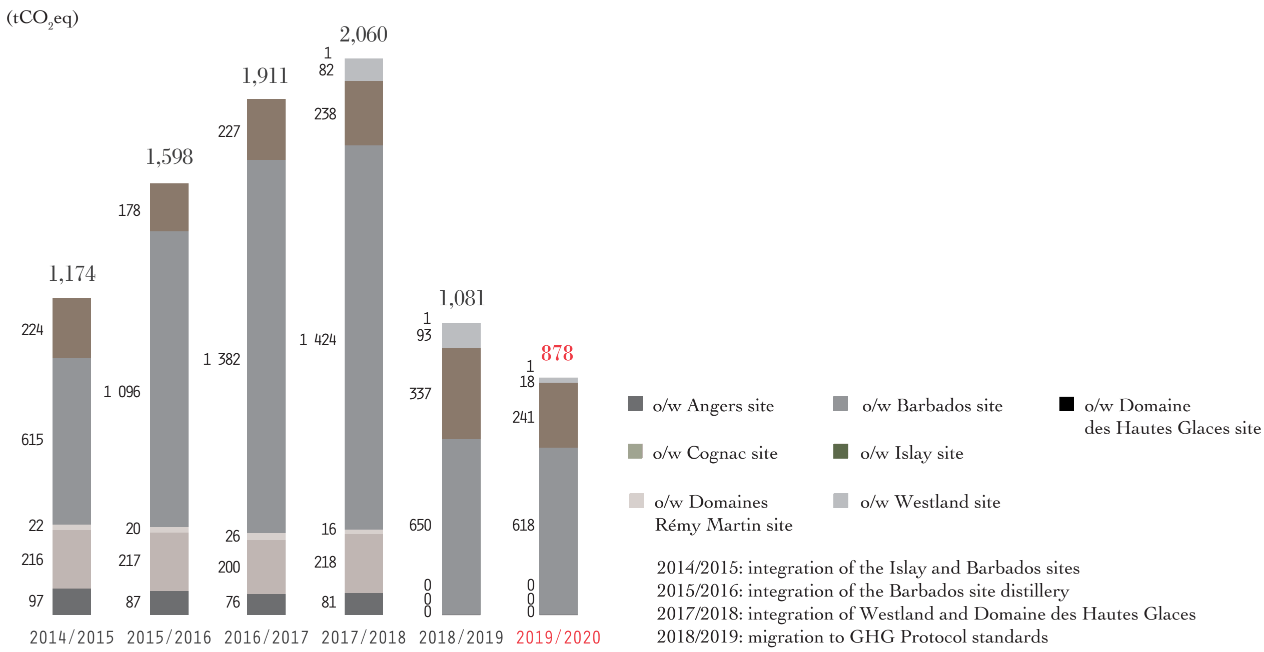
This year, Rémy Cointreau reiterated its commitment to the "French Business Climate Pledge" for the period 2020/2023, which is directly linked to these targets. The Group is thus one of 55 French companies that have confirmed their commitment to the use of renewable energy, energy efficiency and the deployment of low-carbon technologies, with the aim of reducing the effects of climate change by lowering greenhouse gas emissions.

CO_2 emissions under scopes 1 and 2 have fallen by 27% to 8,254 Teq CO_2 (scope 1: 7,376 Teq CO_2/scope 2: 878 Teq CO_2 – GRI Standards 305-1 and 305-2). The reasons for this change are mainly due to the 28% fall in scope 1 carbon emissions as a result of the change in the types of fuels used for distillation at the Barbados site (priority given this year to the use of kerosene instead of diesel) and the reduction in electricity consumption at the Islay site.

GHG emissions/scope 1 (GRI Standard 305-1)

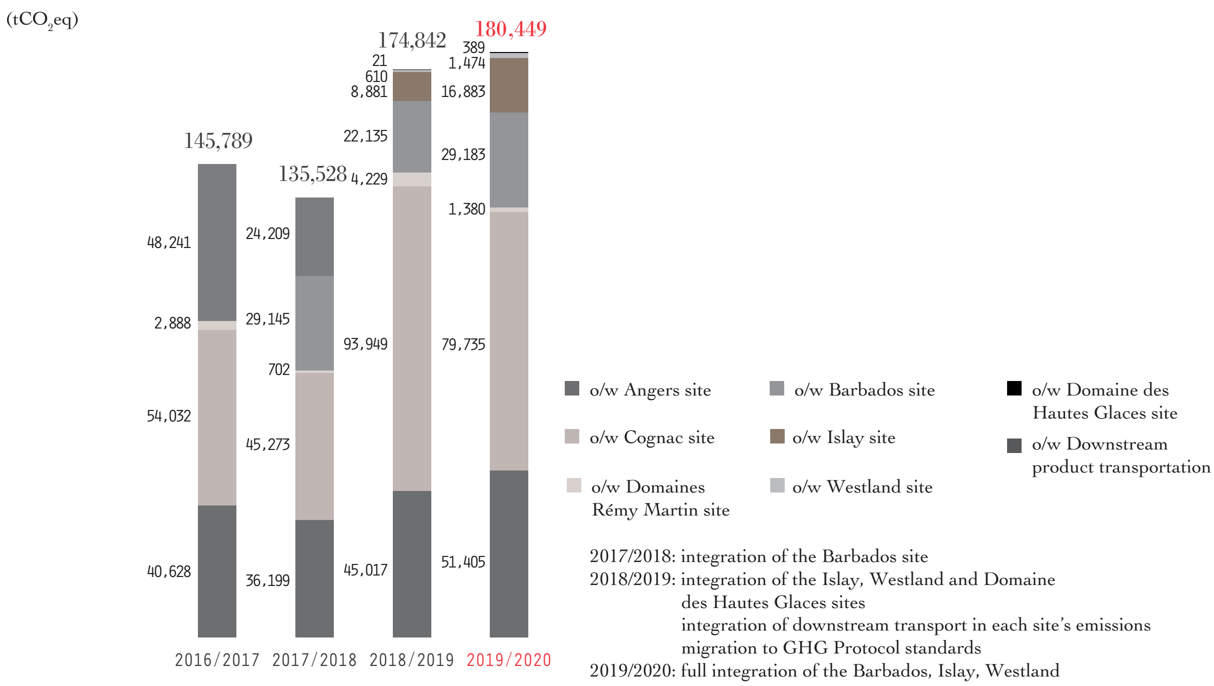


GHG emissions/scope 2 (GRI Standard 305-2)



2014/2015: integration of the Islay and Barbados sites
2015/2016: integration of the Barbados site distillery
2017/2018: integration of Westland and Domaine des Hautes Glaces
2018/2019: migration to GHG Protocol standards

GHG emissions/scopes 1, 2 & 3 (GRI Standard 305-3)



2017/2018: integration of the Barbados site
2018/2019: integration of the Islay, Westland and Domaine des Hautes Glaces sites
integration of downstream transport in each site's emissions
migration to GHG Protocol standards
2019/2020: full integration of the Barbados, Islay, Westland and Domaine des Hautes Glaces sites

Introduction of a low-carbon strategy across all areas of the business

Rémy Cointreau is pursuing its efforts to reduce emissions linked to business travel. This year, it achieved 222 Teq CO_2 in avoided emissions (GRI Standard 305-5).

The "substitution rate" indicator introduced in association with the travel agency Frequent Flyer Travel Paris, looks at business travel by the Group's employees.

It measures the replacement of short-haul flights by train travel, which emits less CO_2 (scope: France and neighbouring European countries, train journeys of three hours or less).

The substitution rate serves to illustrate this initiative. An initial assessment of business journeys gave a value of 88% in 2016/2017 and 92% in 2017/2018. It rose again in 2018/2019 (98%). This year's figure (97%) reflects the commitment of Group employees who choose to travel by train for short journeys.

From 2017, the implementation of the CO_2 emissions reduction plan for the Company vehicle fleet has led to a new internal policy for company and service vehicles in France. Each vehicle renewal or acquisition must be a rechargeable hybrid or electric vehicle. For that purpose, electric vehicle charging points have been installed in the car park at the Paris site. The percentage of "clean" vehicles (electric or hybrid vehicles or those with CO_2 emissions of less than 100g/km) continued to increase this year to 71%, compared with 64% in 2018/2019, 41% in 2017/2018 and 22% in 2016/2017.

Currently, average emissions for the Group's entire French vehicle fleet are 84 gCO_2/km. These are therefore continuing to fall: they totalled 85 gCO_2/km in 2018/2019, 92 gCO_2/km in 2017/2018 and 124 gCO_2/km in 2016/2017, *i.e.* a fall of 32% in three years.

In 2019/2020, nine vehicles were acquired, including five petrol hybrid vehicles and 1 electric vehicle, replacing nine vehicles (including seven diesel vehicles). The average emissions level for new vehicles is 88 gCO_2/km, compared with 116 previously for the vehicles replaced, representing a 25% drop in emissions.

In accordance with the regulations in effect since the beginning of 2018, the Angers site updated its mobility plan this year and submitted it to the relevant local authorities. This plan has enabled initiatives which have been implemented for several years to be highlighted. They include the mobility survey carried out in 2017, alternatives to individual cars for site access (two bike shelters, three car-sharing spaces, four electric vehicle charging points), the introduction of telecommuting, and the reduction and improvement of business travel (videoconferences, audio conferences, the Skype for Business tool and e-learning).

This year, the 2019/2020 action plan continued to be implemented, with 23 employees trained in eco-driving.

The Group is also continuing its efforts to use communication technologies such as Skype, to encourage videoconferencing and thus avoid CO_2 emissions linked to business travel.

Another major step was taken this year with the launch of an "IT Green Week". Rémy Cointreau's teams were kept regularly informed on how to reduce the carbon footprint associated with each team's IT activities, by deleting unnecessary emails, files and folders that do not need to be archived.

The first "IT Green Week" was held at the end of 2019 to limit the impact of data storage on the environment. The individual actions of each employee have reduced mailbox storage by almost 50%.

As part of its effort to cut carbon emissions, the Group is also switching to paperless processes. Two years ago, new systems were set up in the Accounts Payable department to enable the receipt and processing of electronic tax invoices from suppliers. New suppliers were contacted to inform them and raise awareness of the new document exchange procedures.

Product transportation

As part of the 2020 CSR plan, a "CO_2 Transport Emissions" project was launched in 2017. For the past three years, CSR reporting has included CO_2 emissions from the transportation of products in the USA and Asia (China, Taiwan, Vietnam and Malaysia) and Australia.

This year saw the introduction of a tool covering the whole of the Group's logistics operations (transportation between shipping platforms, deliveries to subsidiaries and customers).

From April 2020, the use of this new tool will enable the carbon emissions associated with the transportation of our products to be calculated more reliably, for example with an average per case transported to each country of shipment.

Transport providers will have access to this tool, enabling them to report in real time on changes in their carbon emissions, particularly when they take steps to reduce those emissions.

Total scope 3 CO_2 emissions associated with downstream product transportation amounted to 22,004 Teq CO_2 (GRI Standard 305-3). This is one of the significant CO_2 emission generators for Rémy Cointreau. These emissions are down by almost 13% on the previous year, mainly due to the lower quantities shipped using maritime transport.

This value includes product transportation:

- in France, between production sites and logistics platforms;
- between logistics platforms and the first shipping ports or airports;
- maritime and air transport between the first shipping ports or airports and the arrival ports or airports worldwide;
- product transportation in Europe;
- product transportation in the USA and in Asia (China, Taiwan, Malaysia and Vietnam);
- product transportation in Australia.

This year, action has been taken to reduce carbon emissions from shipments to China. The aim was to replace some air freight by rail transport following the reopening of the rail link between Germany and China.

An analysis of the two modes of transport shows that rail transport reduces carbon emissions by a factor of more than 30 compared with air transport.

The Group therefore took the decision to try out this option. Nearly 40 shipments were made, with carbon emissions of 84 Teq CO_2. We estimate that this mode of transport by rail has resulted in avoided emissions of almost 2,600 Teq CO_2.

Under the 2025 CSR plan, the continuation of this action will be examined in more detail by the “Logistics” working group set up to launch the carbon reduction plan according to the SBT method.

Energy consumption

In 2016, based on the energy audits carried out in 2015, an energy consumption reduction plan was drawn up for the Angers and Cognac sites, with the choice of targets for potential reductions in energy consumption (electricity and gas) by 2020 (GRI Standard 302-4). The target to be achieved by the end of the 2020 CSR plan was a 900 MWh reduction in energy consumption on the French sites. The main actions include optimising air compressor operation, replacing compressors, monitoring heating modes, managing lighting and renovating buildings.

This year, the initiatives carried out correspond to reductions in energy consumption of almost 600 MWh, or around 70% of the 2020 targets. The main actions consisted of replacing lighting, optimising boilers and replacing gas heaters with air to air rooftop units.

The remaining action needed to reach 900 MWh (introduction of a centralised energy monitoring system at the Angers site) is being implemented and will be finalised over the next financial year.

On the Angers site, the reduction in energy consumption continued to rely on actions from the Energy working group: the automatic shutdown of computers, monitors and printers at the end of the day; automatic lighting in bathrooms; scheduled printer operation times; a master off-switch for computer hardware in offices.

An awareness-raising campaign on saving electricity was also carried out for staff at the Paris site. It covered lighting management and IT systems in meeting rooms.

This year, the Barbados site increased its use of energy-saving light bulbs.

The same applied for the Islay site, which installed LED lighting with motion sensors in its workshops and offices.

On-site studies are continuing in order to assess the potential for the integration of renewable energy. In Scotland, the projects under way are expected to result in the use of renewable electricity for some consumption on the Islay site in the coming year.

On the Barbados site, the installation of solar panels generated close to 100 MWh in renewable energy this year. These solar panels are connected to the Barbados national power grid. The aim is to be generating around 500 MWh a year within five years, or almost 30% of the site’s annual electricity consumption.

With regard to the Westland site, the Pacific Northwest is one of the leading producers and users of renewable energy in the United States. As a result, 90% of the electricity used by Westland is from renewable energy sources.

Since 2016, all energy consumption on the Group’s French sites (except for Domaine des Hautes Glaces) comes from renewable sources (energy from hydraulic production).

This year, 99.8% of the Group’s electricity consumption in France was from renewable sources. The figure is 95% for Europe and 82% worldwide.

For Domaine des Hautes Glaces, 90% of total energy consumption (electricity, fuel) is from renewable sources due to the use of wood-fired stills.

In 2019/2020, the Group’s total energy consumption amounted to 39,261 MWh, up 2% on the previous year. This is due to the increase in the amount of fuel used by the Mount Gay distillery, mainly because it switched from using diesel to kerosene (GRI Standard 302-1).

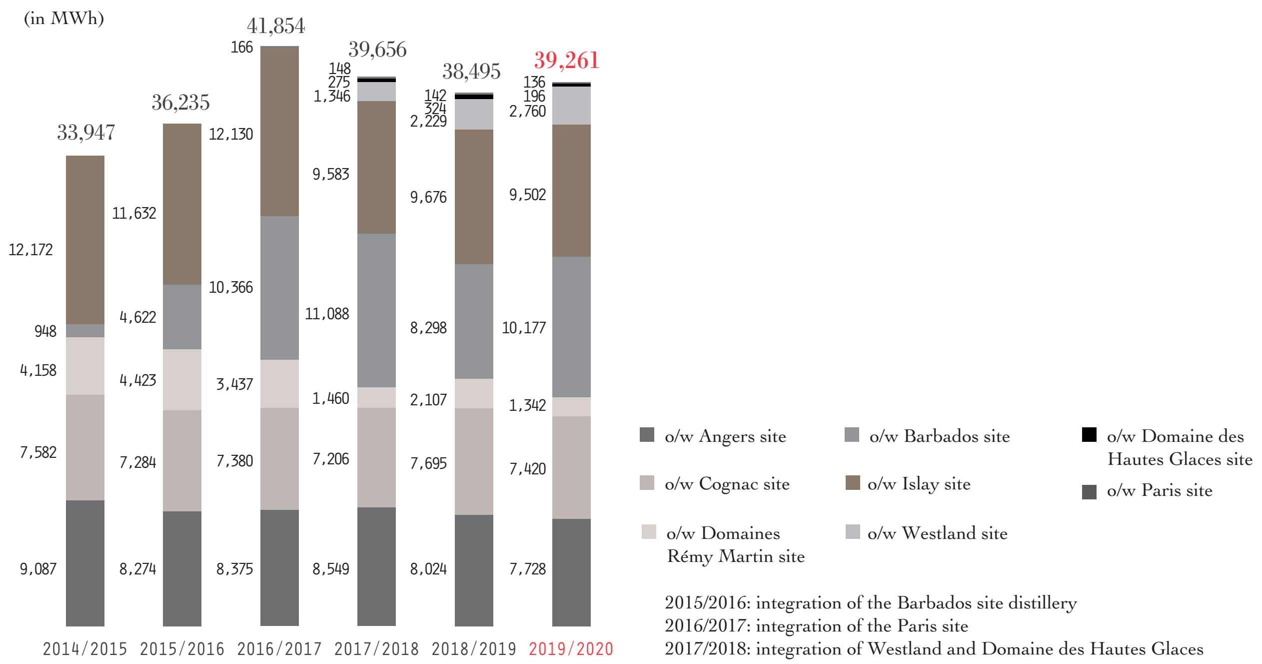
This had a direct impact on its direct energy consumption (gas, fuel oil and diesel), which rose 4.5% from 26,335 MWh to 27,510 MWh.

This year, the Angers site recorded a fall of almost 5% in natural gas consumption, following the introduction last year of a new boiler management process.

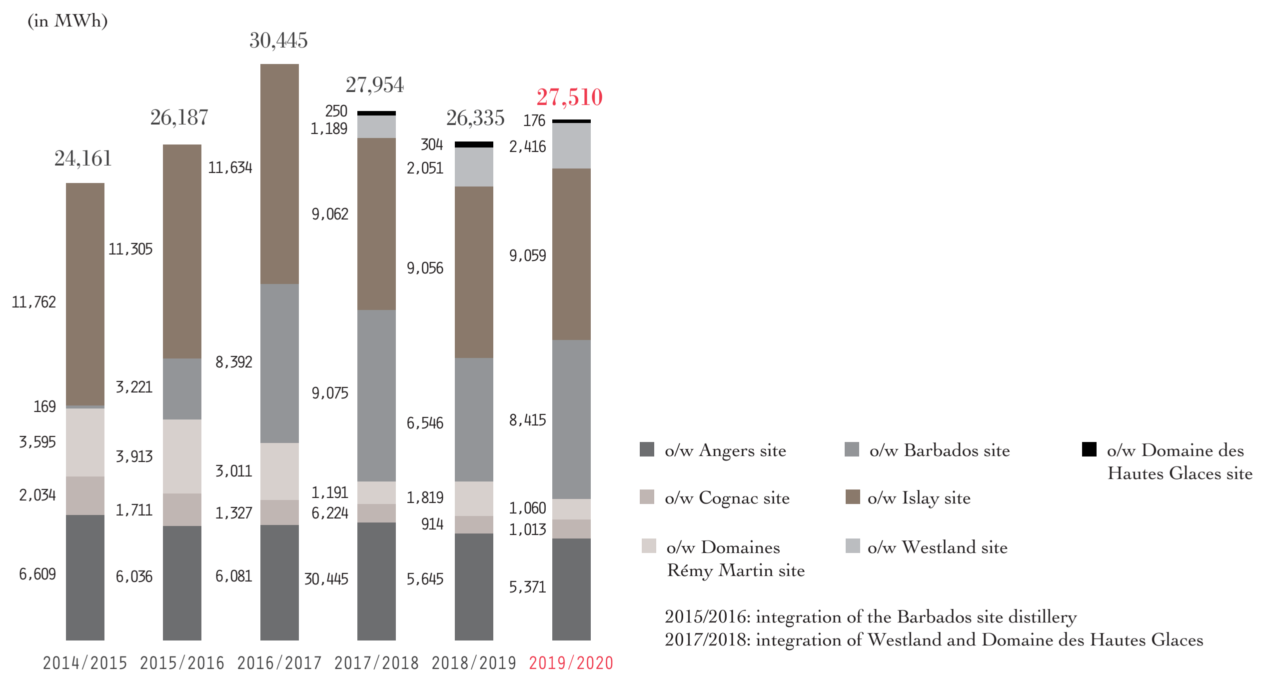
There was also a sharp fall in gas consumption for Domaines Rémy Martin (-40%). This was due to a decline in distillation activities, the harvest being significantly smaller due to the climatic conditions.

Conversely, production at the Westland site rose sharply, resulting in an increase in gas consumption of almost 18%.

Total energy consumption (GRI Standard 302-1)

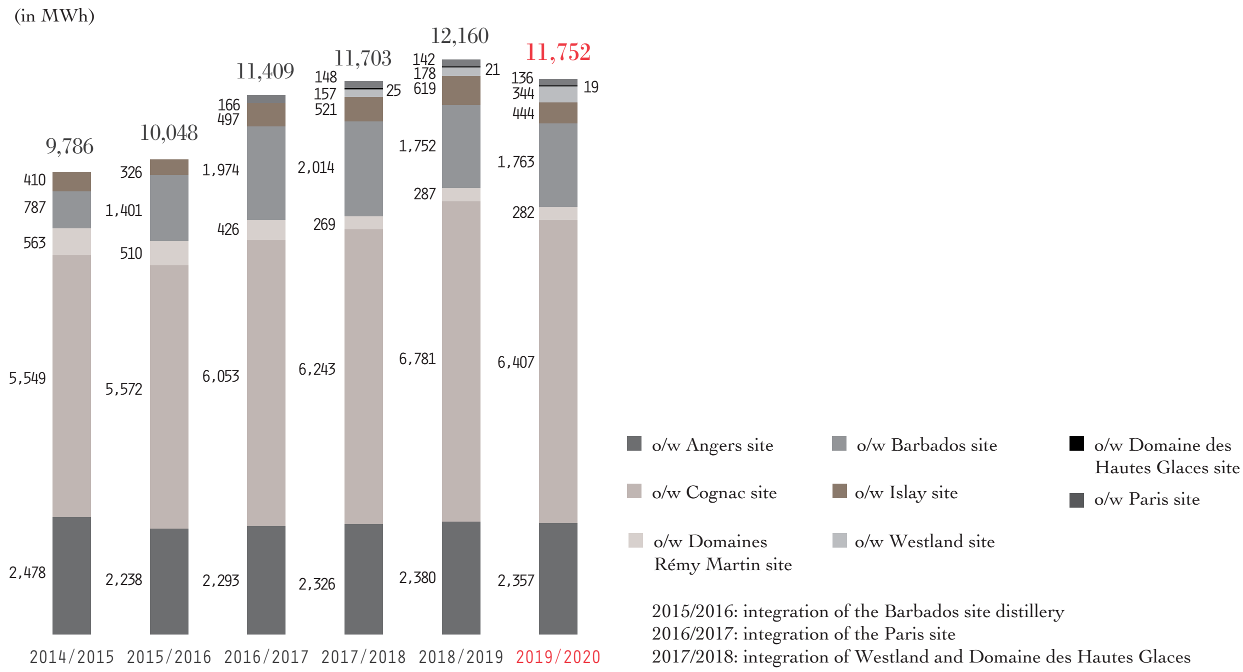


Direct energy consumption (gas, fuel oil, diesel) (GRI Standard 302-1)



With regard to indirect energy, electricity consumption (11,752 MWh) was down 3.4% for all the Group's production sites in general, excluding the Westland site. For the Westland site, electricity consumption almost doubled following the increase in the site's activity. There was a significant decrease in the electricity consumption of the Islay site (-28%), mainly due to the fact that in 2018/2019, some of the site's electricity consumption had been estimated.

Indirect energy consumption (electricity) (GRI Standard 302-1)



2015/2016: integration of the Barbados site distillery
2016/2017: integration of the Paris site
2017/2018: integration of Westland and Domaine des Hautes Glaces

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1.3.2.4 WATER MANAGEMENT

Challenge

Rémy Cointreau's ambition is to remain the leader in economically-competitive winemaking whilst being intransigent on product quality and environmental protection. In this respect, Rémy Cointreau has a duty to help protect its *terroirs* and natural resources, which are key to the quality of its products.

Among these natural resources, water poses a major challenge for the Group, particularly in terms of its availability for distillation activities at the Barbados, Islay, Domaines Rémy Martin and Domaine des Hautes Glaces sites, and its quality for the production of the Group's products.

The same is true of liquid waste discharges. Rémy Cointreau is committed to protecting its *terroirs* and preserving their biodiversity. It is essential therefore to minimise liquid waste and ensure that it is treated before being discharged into the natural environment.

Policy

The Group has long pledged its commitment to the environment. As early as 2016, the 2020 CSR plan identified water consumption and conservation as an environmental objective.

For the last four years, Rémy Cointreau has met CDP Water reporting requirements. In line with this reporting, the Group has improved its water resource protection targets.

The first step was to make consumption measurements more reliable at all production sites. At the Barbados site, for example, new flow meters have been installed to measure water consumption more accurately. As of next year, the focus will be on validating the targets for reducing and optimising water consumption under the 2025 CSR plan.

In parallel with these actions, the commercial subsidiaries are also committed to managing water consumption, with the installation of water fountains and the provision of water carafes to employees in meeting rooms in order to eliminate the use of water bottles.

Under the 2025 CSR plan, special attention will continue to be given to treating liquid waste from production sites. The majority of this liquid waste takes the form of vinasse. For several years, the volume of liquid waste has been monitored and BOD/COD analyses are carried out regularly before and after treatment and before discharge into the natural environment (GRI Standard 306-1).

Within this framework, the approach for the treatment of liquid waste on a site-by-site basis is as follows:

- for the Cognac and Angers sites, all liquid waste is processed by local treatment plants.
- the Barbados site uses part of its vinasse as fertiliser in accordance with specifications that comply with local regulations, with the remainder being discharged to the natural environment in compliance with local practices. Some of the vinasse is spread at the Mount Gay property and other agricultural holdings in Barbados, contributing to the natural fertilisation and irrigation of the soil. This initiative is carried out in partnership with local environmental bodies.
- at the Islay site, and in accordance with local regulations, the vinasse is sent to a reprocessing plant shared with other distilleries on the island. The vinasse is diluted then discharged to sea by pipeline to a point far from the coast in order to ensure that the discharge has no environmental impacts.
- all of the Domaines Rémy Martin vinasse is entrusted to a local vinasse methane conversion and green energy production plant, on whose Board Rémy Martin sits (Revico site in Cognac).

- Domaine des Hautes Glaces spreads all of its vinasse on agricultural land in accordance with spreading specifications that comply with local regulations. This enables a reduction in the amount of chemical fertilisers used for future crops.
- all liquid waste from the Westland site is treated by a local liquid waste processing plant.

Action plans

Water availability and quality

Total water consumption (189,287m^3) was down 3% on the previous year (GRI Standard 303-1). This is mainly due to an adjustment to the method of calculating water consumption at the Cognac site, which had been overestimating actual consumption values.

The decrease is also significant this year for Domaine des Hautes Glaces (-58%), due to the fall in production at the site and the detection and repair of a water leak which had resulted in over-consumption in 2018/2019.

On the Barbados site, which lies in a water-stressed region, efforts are continuing in a bid to conserve water:

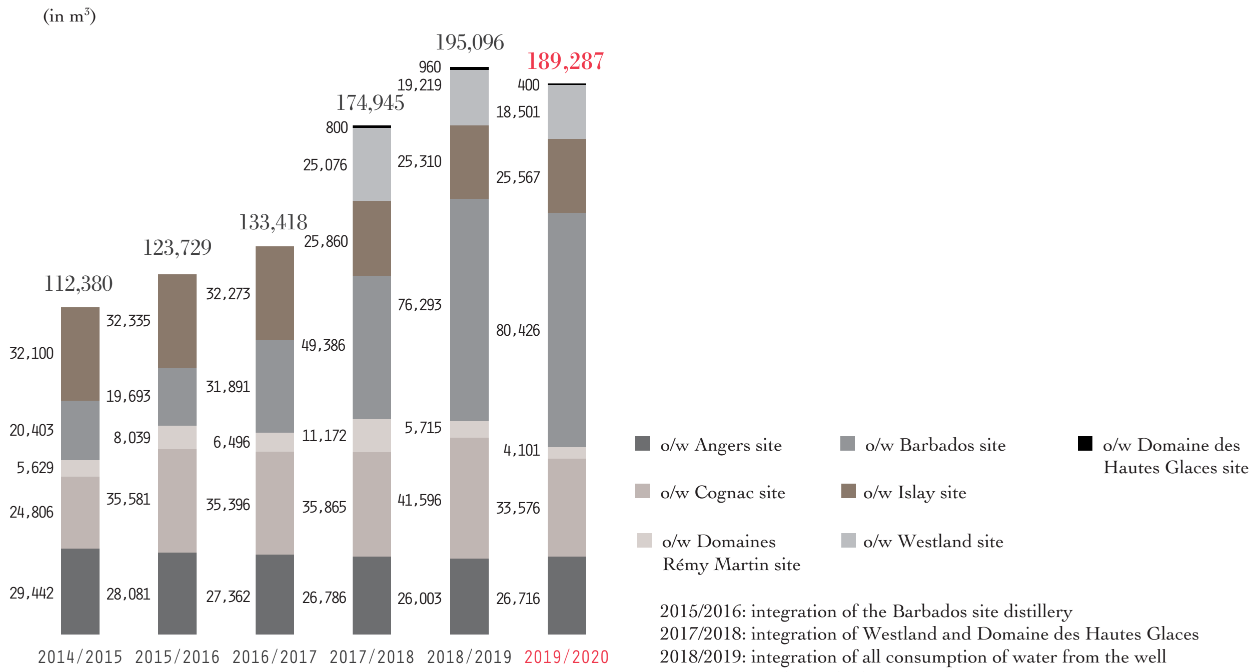
- installation of a harvesting system to collect rainwater from the distillery roofs;
- construction of two greenhouses fitted with irrigation systems and equipment allowing the study of different varieties of sugar cane;
- creation of a pond for the capture and storage of rainfall to be used in crop irrigation;
- planting of drought-tolerant plants as part of a crop rotation system (*e.g.* cassava).

The Angers site was used this year as a pilot site to map water consumption and calculate how much water is actually drawn from the natural resource and not discharged by the site. From the "incoming" water on the site (26,716 m^3), the distribution between the site's various business segments was mapped, either by measurements (using meters), or by estimates. Discharges of water from each of these segments were then identified, again on the basis of measurements or estimates.

The results showed that the total volume of water discharged was 14,879m^3. This liquid waste is returned to the natural environment after treatment by the treatment plants, if necessarWe can conclude therefore that the amount of water actually used in activities at the Angers site – i.e. drawn from the "water" resource and not returned to the natural environment – is 11,837m3, or 44% of the "incoming" water on the site.

Under the 2025 CSR plan, this type of study will be rolled out to the Group's production sites in France and abroad, with the aim of being completed by 2025.

Water consumption (GRI Standard 303-1)



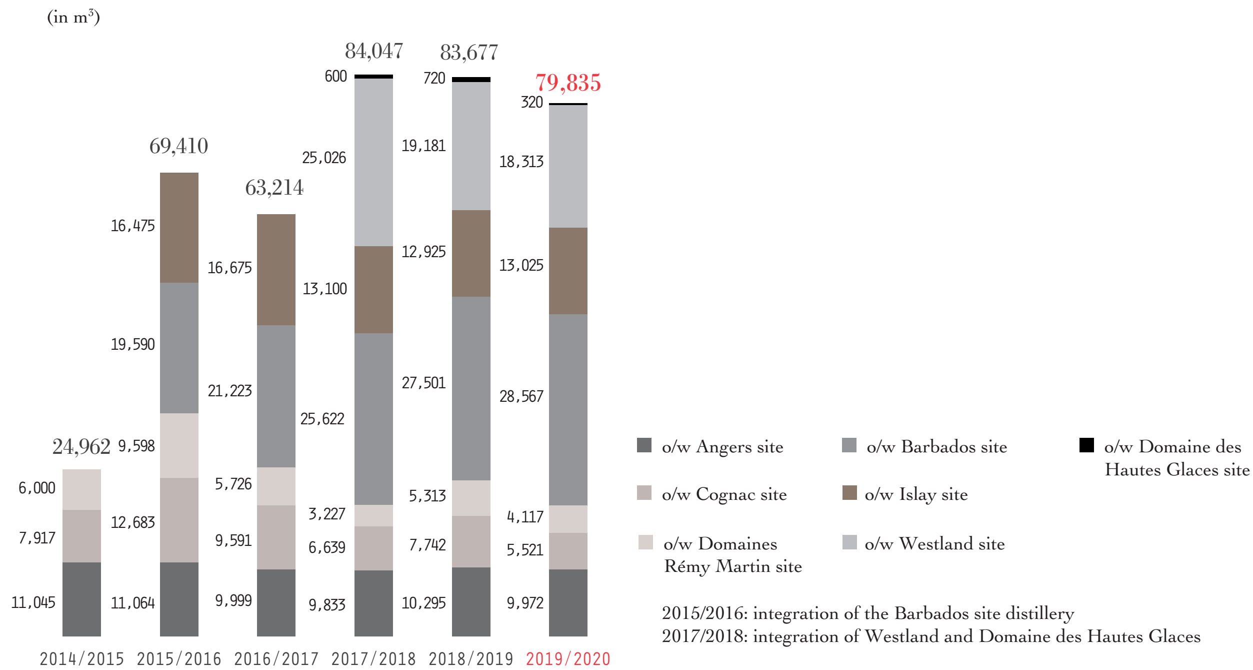
2015/2016: integration of the Barbados site distillery
2017/2018: integration of Westland and Domaine des Hautes Glaces
2018/2019: integration of all consumption of water from the well on the Barbados site

Liquid waste discharges

Liquid waste discharges (79,835m³) are down 4.6% on the previous year (GRI Standard 306-1).

This is mainly due to the reduction in discharges from Cognac sites (reduced operation of an osmosis unit) and Domaines Rémy Martin (decrease in distillation following weather events that impacted vineyard production).

Volume of liquid waste (GRI Standard 306-1)



2015/2016: integration of the Barbados site distillery
2017/2018: integration of Westland and Domaine des Hautes Glaces

At the Angers, Cognac and Domaines Rémy Martin sites, after being treated in treatment plants and being returned to the natural environment, pollution from liquid waste fell compared with the previous year, with 0.8 tonnes of BOD (Biochemical Oxygen Demand – 0.9 tonnes in 2018/2019) and 3.2 tonnes of COD (Chemical Oxygen Demand – 3.6 tonnes in 2018/2019). This decrease is mainly due to the reduction in the winemaking and distillation operations of Domaines Rémy Martin, following weather events that impacted the production of the vineyard this year.

The Westland site introduced BOD analysis of its liquid waste for the first time this year. On that basis, total liquid waste pollution discharged from the Barbados, Islay, Domaine des Hautes Glaces and Westland sites was 1,307 tonnes of BOD and 2,885 tonnes of COD. BOD and COD values are increasing (1,264 tonnes of BOD and 2,041 tonnes of COD in 2018/2019). These annual changes are due to the variability of effluent composition. It should be noted, however, that on a like-for-like basis (excluding the Westland site), the BOD value would have decreased (1,161 tonnes).

With regard to vinasse recovery, a new indicator was introduced this year. As with solid waste, the new calculation compares the volume of vinasse “material” recovered (land application) or energy recovered (methanisation and generation of green energy) with the total vinasse volume. In this first year, the figure was 41%. The aim is for this to reach 80% within five years (*i.e.* by the end of the 2025 CSR plan).

1.3.2.5 CIRCULAR ECONOMY AND REDUCTION OF RAW MATERIAL CONSUMPTION

Challenge

Rémy Cointreau believes it has a duty to contribute to the international effort to tackle global warming. The management of raw materials is part and parcel of this objective.

The main challenge is to reduce the consumption of raw materials, particularly in product packaging. This is one of the most significant carbon emission items, and it is possible that the cost of these raw materials will increase in the coming years. The introduction of circular economy initiatives based on waste reduction and recovery is also a priority issue for the Group.

Policy

In parallel with the implementation of the 2020 CSR plan, an "Eco-design" project was launched in 2017. A CSR eco-design Steering Committee, composed of representatives from the Product Development, Liqueurs & Spirits and CSR departments, was set up with a project to train the Purchasing, Marketing and Product Development teams in eco-design and oversee the operational launch of the "packaging environmental performance index" (EPI) project. The aim is to install internal software to measure the environmental impacts of Rémy Cointreau's product packaging. Particular attention will be paid to CO_2 emissions and water consumption (GRI Standards 303-1 and 305-3).

With regard to its waste treatment, the Group's policy is first and foremost to reduce its tonnage, for example by monitoring the amount of waste generated by packaging lines. The aim will then be to recycle all waste, giving priority to sorting and materials recovery. This ties in neatly with the concept of a circular economy. Energy from waste is a last resort for the final recovery of residual unsorted waste.

Action plans

Eco-design of products

The first step in the Eco-design project was to launch an eco-design training plan for the Purchasing, Marketing and Product Development teams in 2017. The aim was to raise awareness on reducing the environmental impact of packaging by analysing and improving the product life cycle, in particular. For these teams, the aim is to work upstream with simple indicators, shared by the three business sectors, with well-defined objectives such as reducing raw materials or increasing the use of recycled materials.

Two types of training were provided in 2017:

- general training in eco-design for employees in Marketing, Purchasing and Product Development;
- technical training in eco-design for Product Development staff at the Cognac and Angers sites.

The training was repeated in 2018/2019, geared in particular towards the Marketing and Purchasing departments.

This year, additional training was given to the Development department on the Angers site. This focused on the technical aspects of sustainable packaging. In line with the Group's objectives, special emphasis was placed on plastics and their alternatives.

The next milestone was the operational launch of the "packaging environmental performance index" (EPI) project, using internal software to measure the environmental impacts of Rémy Cointreau's product packaging.

Life cycle assessments (LCA) for key Rémy Martin and Cointreau products were carried out and have helped to support technical training for employees.

In 2018, efforts focused on developing the environmental performance index (EPI). The objective was achieved, allowing the first map to be produced of the environmental impact of packaging for all Rémy Martin brand products and the flagship products of other brands (Cointreau, St-Rémy and Metaxa).

The scores obtained vary depending on the product; the higher the score, the greater the environmental impact. Last year, this enabled improvements to be identified to mitigate the environmental impacts, for example by reducing the weight of the various materials used in packaging. This fully addresses the need to reduce the consumption of raw materials. Other initiatives could also be examined, depending on the processes used by suppliers. Contact has already been made with suppliers to involve them in the Group's circular economy targets.

All the initial improvements identified in 2018/2019 were translated into practical measures this year. A comprehensive action plan and priority areas have been defined: lighter packaging is key, as is the use of new-generation materials to replace traditional materials.

In the context of supplier relations, a key process for bottle surface treatments was examined. A full life cycle assessment of the process was carried out, enabling the actual associated carbon emission factor to be validated. In addition to these specific studies, a regular exchange of information has been set up with numerous suppliers so that their carbon emission factors can be entered in the EPI software. In future, this will also enable the software to be updated promptly with the measures taken by suppliers to reduce their carbon emissions.

The development of the EPI software is also essential so that it can include information from suppliers. To that end, a workshop was held this year with the software designer and the Development departments at the Cognac and Angers sites. This met with the teams' expectations and enabled the software to be developed according to the situation on the ground. An important new feature is the ability to extract EPI data for direct use in annual carbon footprint assessments carried out at production sites. This ensures that the impacts concerning the raw materials used and their transportation between the supplier and the production site are as accurate as possible.

The first practical measures have been taken to reduce the environmental impact of our packaging. We have phased out some presentation boxes and designed new, more environmentally friendly cases. New materials have been chosen partly to eliminate non-recyclable plastic from packaging.

The Group is confirming its "Zero Plastic" commitment under the 2025 CSR plan. Ultimately the aim is to have packaging that is free from plastic, for example by replacing it with alternative materials. In the meantime, the priority is to use only recyclable or bio-sourced plastics.

A new progress indicator has been created in this respect under the 2025 CSR plan to measure the rate of reduction of plastics in packaging.

For the past year, the EPI measurement will apply to any new packaging design and will be part of the decision-making process for new products. This will enable the reduction of the environmental impacts of the Group's products to be incorporated into this process.

All packaging used at the Cognac and Angers sites now has an EPI rating. From now on, action plans will be drawn up for each one, based on the following assumptions for future packaging:

- reduction in the weight of materials;
- use of recycled materials;
- potential recyclability.

The use of glass is of particular concern. Two of the previous commitments apply directly to this material:

- reducing the weight of the bottles so that less glass is used;
- increasing the use of cullet (recycled glass) to reduce the quantity of raw materials (such as sand) used in glassmaking.

These two measures address the social and environmental challenges associated with sand extraction at the global level, by reducing the use of this natural resource in the manufacture of bottles containing the Group's products (GRI Standard 301-2 indicator).

The aim of the 2025 CSR plan is to introduce the EPI measurement at all Group production sites by 2025. An internal review is under way to set a progress target aimed at reducing the current EPI values.

In addition to product packaging, this approach will be extended to the design of all promotional items used by the Group.

Waste management

Rémy Cointreau takes measures to reduce the amount of solid waste on its sites with a policy of educating staff about waste sorting and recycling.

Generally, solid waste from the Group's production sites supplies energy or materials recycling channels. It is mainly comprised of packaging waste (glass and cardboard). For two years, solid waste monitoring and processing indicators have made the distinction between materials recycling and energy recovery. The Group's priority objective is to reduce the tonnage of solid waste and then to encourage material recycling rather than energy recovery.

All production sites seek to sort and recycle their waste. For the first time this year, the tonnage of solid waste at the Westland site is being reported. This tonnage is not measured but is estimated from the average density of mixed waste of the same type (glass, cardboard and other waste).

At the Group's Paris administrative site, sorting has been in place since December 2016 with the company Greenwishes. Office bins have been replaced by three centralised sorting bins and waste collected is guaranteed to be 100% locally recycled. Note that after this initiative was shared with all of the companies who occupy the same building, the solid waste sorting and recycling initiative was extended to the entire building. The Paris site also replaced traditional paper towel rolls with electric hand driers. For the past year, plastic stoppers have been collected at the Paris site, in partnership with the charity *Les bouchons d'amour*. By recycling the stoppers collected, the charity can purchase special equipment for disabled athletes and help improve the lives of people with disabilities.

Actions are also regularly carried out at all production sites to limit plastic waste. Worldwide, plastic bottles have been removed from meeting rooms and replaced by carafes.

At the Cognac, Paris and Angers sites, plastic cups have been replaced by paper cups in drinks machines. Aluminium water bottles have been issued to employees and water fountains have been installed. The Westland site has switched to using compostable cups. In addition, it has taken steps to train staff in good waste management techniques and in identifying what can be recycled and composted.

In Barbados, Mount Gay introduced a new waste treatment process two years ago – mainly for glass, cardboard and plastic. The recycling rate measured for this site jumped to 61.3% this year, from 35.2% last year.

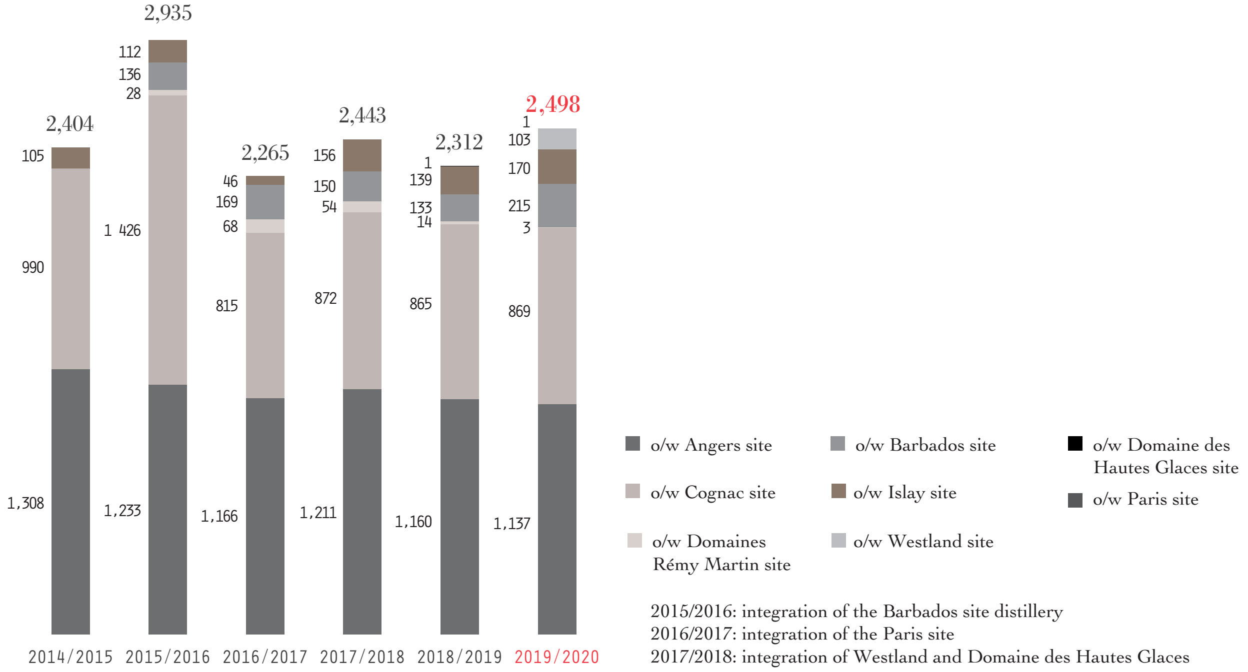
Since September 2012, the OIW (Ordinary Industrial Waste) from the Angers site has been recycled by a combined energy unit (urban heating). Since October 2017, at the Cognac site, OIW is recovered for use as solid recovered fuel (SRF) to produce energy.

Total solid waste (2,470 tonnes – GRI Standard 306-2) was up 8%, mainly due to the inclusion of waste from the Westland site. More accurate waste monitoring was introduced at the Islay and Barbados sites, which also contributed to this year's increase in total solid waste.

The rate of materials recycling and energy recovery are broadly unchanged from the previous year, measured at 86% and 7%, respectively. Solid waste recovery thus reached 93% this year.

The Angers and Cognac sites continued their excellent performance with total recovery rates of 100% and 98%, respectively.

Quantity of waste (GRI Standard 306-2)
(in tonnes)



2015/2016: integration of the Barbados site distillery
2016/2017: integration of the Paris site
2017/2018: integration of Westland and Domaine des Hautes Glaces

1.3.2.6 CUSTOMER INFORMATION

Challenge

Civil society and our customers pay special attention to natural resources and how they are managed. Therefore Rémy Cointreau has a duty to provide answers and assurances in response to these expectations. There is also the issue of the Company's sustainability and customer reputation.

Policy

Customers are a core concern for Rémy Cointreau, which constantly strives to closely meet their needs and expectations. To respond to them as precisely and as quickly as possible, Rémy Cointreau keeps a very close eye on client demand through constant monitoring, especially on social networks. Rémy Cointreau is keen to develop indispensable local support for its customers worldwide in order to provide all the product information they require, for example through labelling and the information available on the Group and brand websites.

Action plans

Sometimes far away, but always close, the clients of Rémy Cointreau are at the heart of our concerns. Our customers are given all the necessary regulatory information whether on labels or dedicated websites.

This year, under the aegis of spiritsEUROPE, the European representative body for the spirits industry, Rémy Cointreau co-signed – together with five of the world's largest producers of spirits and several national federations – a memorandum of understanding (MoU) under the terms of which the signatories pledged to gradually include detailed nutritional information on labels and to publish a complete list of ingredients online. By the end of 2022, two thirds of products marketed by signatories in the European Union will carry nutritional information. Eventually, this will have to apply to all products.

All Group packaging also features symbols denoting the recyclability of the packaging. It also includes advice on drinking responsibly (see section 1.3.3.1 "Responsible consumption of our products").

For the past few years, Rémy Cointreau has conducted an internal rating process carried out in two steps during the year. Areas for improvement are then systematically examined and shared to assess the satisfaction level of all retailer customers. The health crisis at year-end prevented the usual March survey from being carried out. As a reminder, the rating was 17.8 out of 20 in 2018/2019 (GRI Standards 102-43 and 102-44).

The Group also replied to questions from retailer customers, mainly in the United States, Taiwan, Sweden and Greece.

The site visits offered by the Group also reflect its quest for excellence. Rémy Martin offers world-class wine tourism packages with bespoke itineraries. It focuses on offering visitors a warm welcome, organising tours that showcase the know-how, heritage and history of the brand. The visits organised as part of the "Heritage Days" event are still hugely successful.

Internally, the Cognac and Angers sites published a welcome, visits and reception Quality Charter incorporating responsible consumption.

The Cognac site won the national wine tourism award in the "development of a cellar or viticulture site" category. It also held on to its TripAdvisor certificate of excellence this year. Because it has been awarded this certificate each year for more than six years, the site has been indoctrinated into the "Certificate of Excellence Hall of Fame". The site was also picked by the non-profit organisation Entreprise et Découverte as one of the top 100 sites for excellence in industrial tourism.

Since 2012, the Cognac site has held the French government's *Entreprise du Patrimoine Vivant* (Living Heritage Company) label, which was established to reward businesses that promote French craftsmanship and tradition. The certification has been renewed for five years.

The Angers site also holds the same certification, together with the *Qualité Tourisme* trademark.

At Cognac and Angers, the visitor circuit guides are trained each year in the CSR policy so that they can explain and promote the Group's best practices to visitors. This year at Cognac, the "2020 Essentials" guide training pack included a section on the Group's CSR strategy.

The need for transparency towards customers and all stakeholders requires the Group to respond regularly to requests for information on socially responsible investment (SRI) and non-financial ratings.

Since 2010, Rémy Cointreau has been assessed by the non-financial Gaïa (EthiFinance) index, the benchmark sustainable development index that assesses the level of transparency of more than 400 intermediate-sized listed and unlisted European companies, based on CSR-related environmental, social and governance criteria.

This year, the Group improved and was ranked 1st out of 230 companies making up the Gaïa index (3rd in 2018/2019 and 4th in 2017/2018). The overall rating has risen steadily and now stands at 90/100 (85 in 2018/2019 and 79 in 2017/2018). The Group also maintained the maximum score of 100 with regard to relations with external stakeholders (relations with suppliers, customers and civil society) and scored 99/100 for its environmental commitments (97/100 in 2018/2019).

The Group is also assessed by the Vigeo Eiris non-financial agency. The latest rating carried out in early 2020 shows an overall increase in Rémy Cointreau's scores compared with the last rating in 2018.

Rémy Cointreau also regularly responds to information requests from other rating agencies such as MSCI, Sustainalytics, Quercus and Trucost.

This year, information was also given to various investment funds interested in Rémy Cointreau's CSR strategy.

For several years, the Group has completed annual CDP (Carbon Disclosure Project) questionnaires on the management of greenhouse gas emissions (Climate Change programme) and water (Water Security programme).

1.3.3 Societal risks

1.3.3.1 RESPONSIBLE CONSUMPTION OF OUR PRODUCTS

Challenge

The promotion of responsible consumption is a key issue for Rémy Cointreau. The fact that the Group's products are positioned at the high end of the range brings with it a major commitment to responsible consumption and the protection of our exacting clients, from both an ethical and performance point of view.

Policy

Rémy Cointreau's responsibility on the subject of responsible consumption of products covers two areas:

- promoting responsible consumption;
- promoting responsible advertising.

By actively participating in the "Alcohol and Society" or "Alcohol and Health" working groups set up by professional bodies, Rémy Cointreau is helping to implement a responsible strategy developed by the wider spirits industry (GRI Standard 417-1).

Action plans

The key role of representative organisations

Rémy Cointreau is active in the following major organisations:

- in France: the FFS (Fédération française des spiritueux, or French federation of spirits producers), the FEVS (Fédération des exportateurs de vins et spiritueux, or French federation of wine and spirits exporters) and the "Prévention et Modération" (Prevention and Moderation) association;
- in Europe: spirits EUROPE (the European Spirits Industry Federation);
- in the United States: DISCUS (Distilled Spirits Council of the United States);
- in Barbados: BAIA (Barbados Alcohol Industry Association);
- in Asia: APISWA (Asia Pacific International Spirits and Wines Alliance);
- in China: FSPA (Foreign Spirits Producers Association).

One of the objectives shared by all these groups is to contribute to the development of alcohol action plans to assist governments to protect consumers, through their members' ethical commitments and advertising self-regulation.

By their very nature, it is impossible to measure quantifiable results on these major and long-term measures. Nonetheless, the outcomes of these programmes mean that international bodies (WHO, OECD) consider that:

- the primary objective of the actions is to combat excess alcohol consumption;
- the voice of the spirits industry is important in establishing consumer protection programmes and, as a result, representative organisations must be present during discussions addressing the issue of responsible consumption by consumers;
- the principle of ethical self-regulation of the promotion and advertising of spirits provides a guarantee of safety for the consumer.

The spirits industry continues to improve the information provided to consumers (packaging, development of online information) by developing web sites dedicated to disseminating knowledge about the health risks of alcohol.

Rémy Cointreau is also still involved in the French "Alcohol Prevention" plan. Drawn up by five professional bodies in the alcoholic beverage sector, the plan commits professionals to being proactive in preventing risky behaviours. Several actions are proposed, such as supporting people who may have a problem with alcohol and issuing breathalysers.

Initiatives to promote responsible consumption

A raft of initiatives conducted over recent years reflects Rémy Cointreau's commitment to promoting responsible consumption of its products:

- in Europe and Asia, the Group is gradually implementing voluntary decisions to include symbols on its packaging with advice for pregnant women (GRI Standard 417-1);
- a willingness, in Europe, to include the responsibledrinking.eu URL on packaging. This is the EU portal for consumers of 28 European countries, which provides comprehensive information on the risks of alcohol abuse;
- the development of a responsible consumption page on the Rémy Cointreau Intranet;
- distribution of Responsible Consumption materials to the sales force: Responsible Consumption guide, a booklet on "How to plan for responsible consumption of Rémy Cointreau products when hosting and receiving our guests", and a "Responsible Consumption menu";
- update and new distribution of the RC Alcooflash app for iPhone users (internal audience);
- signing the DFWC (Duty Free World Council) code of conduct, which focuses principally on responsible advertising and the responsible management of points of sale;
- an awareness-raising campaign of responsible consumption in Barbados.

This year, these initiatives were supplemented by:

- the co-signing by Rémy Cointreau of the European nutrition labelling MoU.

  This year, under the aegis of spiritsEUROPE, the European representative body for the spirits industry, Rémy Cointreau co-signed – together with five of the world's largest producers of spirits and several national federations – a memorandum of understanding (MoU) under the terms of which the signatories pledged to gradually include detailed nutritional information on labels and to publish a complete list of ingredients online.

  The MoU was signed in Paris during the annual congress of spiritsEUROPE, in the presence of the European Commissioner for Health and Food Safety.

  The main objective of the MoU is that by the end of 2022, two thirds of products marketed in the European Union will carry nutritional information. Eventually, this will have to apply to all products. This objective will be monitored by the European Commission;
- Mount Gay's renewed commitment as part of the Barbadian non-profit organisation BAIA, which is continuing to run awareness campaigns to promote responsible drinking and specifically to remind people of the dangers of drink-driving;
- maintaining the partnership with the Substance Abuse Foundation (SAF) in Barbados, which fights all forms of addiction, including excessive alcohol consumption.

  An awareness-raising session on responsible drinking was organised for high school students. This initiative is part of the broader support programme which continued this year;
- supporting the commitments of the West Indies Rum & Spirits Producers Association (WIRSPA), led by Mount Gay in Barbados.

  A decision was taken this year to place new labels on rum bottles with specific guidance for consumers to raise awareness of the risks of drink-driving, underage drinking and drinking during pregnancy.

  Producers also announced the adoption of a new code of practice for responsible advertising and marketing, including on social media.

Aside from these examples, Rémy Cointreau also adheres to the various responsible communication and consumption codes of international professional bodies and federations.

1.3.3.2 RESPONSIBLE PURCHASING

Challenge

For Rémy Cointreau, CSR implies the involvement of all its stakeholders, including its suppliers. Getting its suppliers to adopt its CSR policy is therefore a key issue for Rémy Cointreau, to ensure that all purchases are made within a responsible framework, in particular in terms of respecting Human rights and safety at work. It is also vital for the Company's reputation with its customers.

Policy

Rémy Cointreau's responsible purchasing policy covers all three aspects of CSR: the environment, employees and society.

To meet these objectives, the Group endeavours to use shared tools which it can offer to its suppliers. As part of this effort to improve transparency and ethics in its business practices, Rémy Cointreau now specifically asks its suppliers to join SEDEX (Supplier Ethical Data Exchange), an international organisation that seeks to foster ethical and responsible business practices in global supply chains.

Action plans

The SEDEX international platform has simplified the Group's purchasing practices and allows it to share supplier audits performed by their other customers: information on working standards, health and safety, the environment and sales ethics is available online.

In 2018/2019, among strategic suppliers, 92% were SEDEX members (excluding sub-contractors, since sub-contracting is very limited and mainly concerns activities performed in France) (GRI Standards 308-1 and 414-1). This year, it was 85%. This slight decrease is due to the arrival of new suppliers who are in the process of joining SEDEX.

For two years, strategic suppliers have been asked to ensure that their Tier 2 suppliers are also SEDEX members. This year, 91.2% of tier 2 suppliers are members of SEDEX.

The current approach based on SEDEX membership allows us to identify potential CSR risks among our suppliers. However, these risks are identified solely using self-declaration questionnaires, since not all suppliers are subject to a compulsory CSR audit. To remedy this shortcoming, Rémy Cointreau will call on external audit bodies, either using their own audit form or the SEDEX Members Ethical Trade Audit (SMETA) form. The first audit was carried out this year at a packaging supplier to test this new approach. The results obtained met with expectations regarding a detailed and overall rating of the supplier's CSR commitments. Based on a series of scores out of 10, it was possible to rapidly spot the strengths of the audited company and the weaknesses requiring progress.

Accordingly, in addition to the target of 100% of suppliers being SEDEX members, the 2025 CSR plan includes a new requirement – namely, the accreditation of each supplier based on a SEDEX rating. The standards are being drawn up and will in part be based on audits carried out by an external company.

The aim is to make this accreditation systematic for all Rémy Cointreau suppliers by 2025 (Suppliers with the highest net sales of raw materials, packaging, promotional items, suppliers of food contact materials and suppliers in regions with a CSR risk).

To achieve this goal, Rémy Cointreau is conscious that it will need to encourage its suppliers to adopt this approach, which is sometimes seen as an additional burden.

In tandem with the SEDEX approach, Rémy Cointreau is continuing to perform CSR audits, in line with the Sustainable agriculture project. This was the case again this year, with two CSR audits carried out at agricultural raw material suppliers.

SEDEX has entered into an agreement with the CDP Carbon Disclosure Project, a non-profit organisation focused on studying the impact of the major listed companies globally on climate change. Since 2006, Rémy Cointreau has regularly completed CDP surveys (CO_2 emissions and water management). This requires the Group to commit to actions that help suppliers reduce their carbon emissions. This is the case, for example, with the Eco-design project (see section 1.3.2.5 “Circular economy”) and the project to reduce CO_2 emissions from product freight (see section 1.3.2.3 “Climate change”).

This year, Rémy Cointreau updated its general purchasing conditions for all the Group’s French sites. This document, sent to all suppliers, is designed to provide a solid legal framework for contractual relations with them.

For the past two years, supplier documents have been electronic. New software has been installed in the Accounts Payable department to enable the receipt and processing of electronic tax invoices from suppliers. All suppliers were contacted to inform them and raise awareness of the new document exchange procedures. This reduces the time it takes to send and process invoices.

Over the past few years, all these actions have continued to perpetuate Rémy Cointreau’s involvement with its suppliers.

In 2016, the Group won the Vigeo Eiris 2016 Top Performers award in the category “Responsible Supply Chain management: Sustainable Relationships with Suppliers”.

Three years earlier, in 2019, the Group won the TMI Most Ethical Corporate Supply Chain 2019 award from the international association Treasury 4 Good. This award recognises corporate treasury professionals who support CSR initiatives.

1.3.3.3 LOCAL IMPACT

Challenge

Supporting local communities and acting as a responsible stakeholder is a key issue for the Group. In line with its worldwide activity, Rémy Cointreau is mindful of its societal impact in relation to the sustainable economic development of the areas in which it operates. At the heart of its 2020 CSR plan, particular importance was thus given to initiatives that support the community. This will be maintained in the 2025 CSR plan. The Group thus contributes to local community development by helping to create value in the regions in which it is based.

It is also a question of the Company’s reputation and appeal, whether with customers or future employees.

Policy

In order to meet the challenges related to its societal impact, Rémy Cointreau supports sustainable local economic development and community initiatives. The Group’s aim is to be involved alongside the actors in its *terroirs* and local communities.

Rémy Cointreau thus provides its expertise on numerous topics and promotes the merits of corporate social responsibility. As a member of the network of “Sustainable Development” correspondents of the Colbert Committee, which upholds the values of the French luxury industry, Rémy Cointreau contributes to the pooling of CSR best practices, in particular through the dissemination of fact sheets on the topic.

Worldwide, Rémy Cointreau’s employees are also joining forces to serve the public and connect with local communities. Through its actions, its direct and indirect impacts and the enthusiasm of its employees, the Group is spearheading initiatives to foster a climate of mutual assistance and interaction in the regions where it operates.

Action plans

Engaging with local stakeholders

The Group works alongside schools, universities and organisations dedicated to economic development. Its commitment is also reflected in its support for regional associations that work to promote sustainable development. For example, the Group supports the business association Altère in Poitou-Charentes, which facilitates discussions on CSR topics among local economic actors. Of the recent workshops organised by this association, two focused on eco-social product design and how to involve CSR companies in the region. These two subjects fully chimed with Rémy Cointreau’s main CSR commitments.

This year, Rémy Cointreau also supported a highly innovative local initiative in Cognac spearheaded by the Greater Cognac Development Council. In early 2020, the Council organised a Climate Collage workshop as part of its “Make the Transition” event. The aim was to encourage local residents to have fun while thinking about the serious issue of global warming, working in teams to create a collage using maps illustrating the causes and consequences of global warming. A special workshop was held for younger generations where they could build a “junior” collage. Both this and the collages made by the adults were kept. They will go on public display to continue raising awareness of the major challenge that global warming represents for a *terroir* such as the Cognac region.

For several years, Rémy Cointreau has sought to have an active role in the sustainable development of local areas. With this in mind, it makes regular contributions on topics of interest to CSR actors.

This year, for example, Rémy Cointreau gave a presentation at the 2019 Circular Economy conference, organised in Paris by the company DII. The presentation covered sustainable consumption and production, specifically addressing how Rémy Cointreau has incorporated the United Nations SDG 12 into its CSR strategy.

The Group was also present at the "Cognac 2025" round table event organised by the BNIC, the national body for the Cognac industry. The presentation focused on sustainable viticulture and the actions taken by the Group in this respect.

Also in association with the BNIC, Rémy Cointreau is part of the regional initiative to develop a CSR strategy for the Cognac industry. The Group is a member of the BNIC CSR Steering Committee and has participated in several collaborative workshops held for the various stakeholders with a view to drawing up future action plans.

Rémy Cointreau is also involved in the publication of the Colbert Committee's Guide, "Values of French luxury goods and corporate social responsibility goals". This compiles examples of best practice for 15 sustainability goals grouped into four values: aesthetics, high standards, sustainability and compliance.

Rémy Cointreau is keen to promote a positive corporate responsibility culture in training syllabuses. In France, for example, it has given presentations to students graduating from France's *Grandes Écoles*, such as the Nantes-Atlantic National College of Veterinary Medicine, Food Science and Engineering (ONIRIS Nantes), and the ESSCA School of Management in Angers. The presentations showcased the Group's CSR strategy and initiatives.

On the Barbados site, Mount Gay also maintains close links with local schools. In 2018, agricultural students from Barbados Community College added to their training on the Mount Gay estate. This exemplary collaboration gave them an opportunity to directly apply what they had learned, with a specific focus on organic and permaculture cultivation methods.

This year, Mount Gay welcomed students from the Samuel Jackman Prescod Institute of Technology (SJPIT). Some of the courses taken by these students covered tree cultivation, which dovetails with Mount Gay's efforts to preserve the local *terroir* and biodiversity. Students were able to have a genuine field experience and apply their knowledge to orchard design, composting, fruit tree planting, pruning, fertilisation and mulching. The wealth of information exchanged in the course of these meetings enables all Mount Gay employees, students and stakeholders to enhance their knowledge in the implementation of responsible and sustainable agriculture.

Supporting local communities and acting as a responsible stakeholder

True to Rémy Cointreau's values, various solidarity initiatives provide inspiration to employees and in recent years, they have played a full role in the Group's societal commitments.

For the past two years, a major event for the Group has been the international "We Care Day". All Group employees are encouraged to spend the day working to improve the local area.

The first "We Care Day" took place in June 2018. At each of the Group's sites, Rémy Cointreau employees took part in environmental and local heritage initiatives. In Singapore, the day was spent weeding, harvesting and planting crops at the Bollywood Veggies Organic Farm, while in Cognac 342 employees worked on renovating the Château de la Mercerie. On Islay, to promote biodiversity and maintain local facilities, the PHD teams cleared a site to encourage the repopulation of bees on the island, repaired fences and repainted the town hall to contribute to the local community. In Paris, wildlife surveys were carried out in a protected forest. In Miami, a dune litter-pick operation took place. In Los Angeles, the Group's employees offered their services to maintain The Arboretum, the city's botanical gardens. In San Francisco, a clean-up operation took place at Crissy Field Beach, part of the Golden Gate National Recreation Area, in partnership with the National Park Service. In Greece, Rémy Cointreau employees worked with the forestry protection authority to clear an old hiking trail on the southern slopes of Mount Hymettus, near Athens.

This year, the second "We Care Day" also took place in June. As in the previous year, the environment and local heritage were the focus of attention of the Group's employees. In Cognac, they joined forces again to work on restoring the Château de la Mercerie and help clear the Abbaye de Châtre site. In China, trees were planted in the Pudong district of Shanghai. In Singapore, our teams picked up 135kg of litter from East Coast Beach. Beaches were also cleaned up in Africa, the Middle East and India. In Greece, on the Saronida beach south of Athens, more than a tonne of litter was collected thanks to the work of our employees. In the United States, our Global Travel Retail (GTR) team built a butterfly garden and cleared invasive plants from the gardens of Thomas House in Miami. In New York, 23kg of litter was collected on Rockaway Beach. Polluting waste was also removed from the shores of White Rock Lake in Dallas. In London, staff built a playground at Stave Hill Ecology Park. In Malaysia, for the second year in a row, a nature trail was created in association with the Malaysia Nature Society.

Various other initiatives were carried out at other Group sites and were shared on social media with #rcwecareday. This annual worldwide event is also an opportunity to strengthen ties between local communities and the Group's employees.

Other local initiatives are regularly launched by Rémy Cointreau employees.

On the Cognac site, Rémy Martin employees rallied behind the charity *Les lettres au service des Maux*, which supports families of children with multiple disabilities or severe behavioural disorders. The money raised was used to pay for two years of equine therapy for a 12-year-old child suffering from attention deficit disorder (ADD).

Rémy Cointreau continues to be active with the *Fondation de la 2e chance*, which provides help and support to people trying to turn their lives around after a difficult period. The Group has been involved with the Foundation for almost 15 years now. In addition to providing funding, resources are made available for the representative of the local Cognac branch.

In a completely different area, the House of Rémy Martin has renewed its partnership with The Film Foundation, which saves and restores old films. As one of the regular sponsors, this year Rémy Martin funded the restoration of an entire film made in 1919 entitled The Broken Butterfly.

Echoing its environmental commitments, this year Rémy Martin also sponsored the creation of an “Admirable Trees” trail on the Château de Versailles estate. Selected from the 350,000 trees on the estate, the 30 “Admirable Trees” stand out for their botanical rarity, history and beauty.

In Greece, in partnership with the company Paths of Greece, the Metaxa brand funded the restoration of a 10km hiking trail on the island of Samos, near the village of Vourliotes (the Path of the Muscat Vineyards). The aim of this project is to create a vital and precious asset for the village to enable visitors to explore its surroundings.

On Islay, Bruichladdich is also closely involved in local community life, for example by sponsoring local community gardens.

In Barbados, Rémy Cointreau is one of the main economic stakeholders on the island and is fully aware of its role and responsibilities. The Group encourages and supports its employees’ involvement in community plastic waste collection initiatives, implementing selective waste collection and waste transformation activities, training in best practices, promoting the responsible consumption of alcohol at major festive events, and helping disadvantaged families in order to provide them with decent housing.

An in-depth study of the overall societal impact of the Group’s activities in Barbados was carried out in 2018. The aim of the study was to measure the societal footprint of Mount Gay within the region in three key areas: environmental viability, economic viability and social viability. The results were used to assess the impact in terms of direct employment (Mount Gay employees), indirect employment (jobs supported in the supply chain) and induced employment (jobs supported by wages and taxes). It is also possible to identify the socio-economic impacts of Mount Gay’s activities on the local economy in Barbados and globally.

The results of the study showed that in 2017, Mount Gay supported 475 jobs in Barbados (for every job at Mount Gay, another 2.3 jobs are supported on the rest of the island). Apart from supporting local employment, Mount Gay also creates wealth in the Barbadian economy totalling 47 million Barbadian dollars.

The data provide concrete evidence of the importance of Mount Gay for the development of Barbados in terms of jobs and wealth creation.

The same applies to the social and societal importance of Bruichladdich on the Isle of Islay. Eighteen of the island’s inhabitants work at the Bruichladdich site and around 85 others collaborate with the brand. Although the company is one of the smallest producers, it is the largest local employer.

Also closely involved with local communities, the Rémy Cointreau Foundation continues to work with a strong focus on transferring and perpetuating exceptional know-how, with four main areas of funding: investment in tools or any other element necessary to carry out the trade; support for learning and training; participation in trade fairs in France and abroad to raise awareness of the importance of knowledge transfer; and skills-based volunteering to foster engagement with the Foundation’s initiatives among the Group’s employees.

To date, the Foundation has chosen eleven craftspeople: a sculptor-ceramics artist, a bookbinder, a master glassmaker and stained-glass artist, a bow maker, a decorative sculptor, an artisan cutler, a wrought-iron artist, a draper-upholsterer, a custom shoemaker, a cardboard lace-maker and a goldsmith/coppersmith. It provides them with continued support and guidance, helping them to set up permanent workshops and to transfer their exceptional know-how, which is an important part of French cultural heritage.

At the beginning of 2020, in view of the public health emergency, our employees volunteered to support healthcare providers in tackling the global COVID-19 pandemic. All over the world, our staff have made a long-term commitment to help local health workers, supplying them with alcohol and masks, the first weapons in the fight against the virus.

In late January 2020, Rémy Cointreau donated one million yuan to the Shanghai Song Ching Ling Foundation, which provides aid to children and people in need. A further 200,000 yuan was also raised, consisting of donations from our Chinese employees which were topped up by an equivalent contribution from the Group. In early February, Rémy Cointreau’s French sites sent masks and hydroalcoholic solutions to China.

In the United States, Rémy Cointreau donated $100,000 to the US Bartenders’ Guild National Charity Foundation. The purpose of this foundation is to provide financial support to bartenders whose establishments are currently closed because of the epidemic, and who are therefore deprived of an income. This donation was matched by $100,000 from the Cointreau brand, which is particularly close to the bartender community.

In Seattle, Westland produced hydroalcoholic gel for the Low Income Housing Institute of Seattle and various social care and medical facilities in Washington State, one of the regions most affected by the virus in the United States.

In Barbados, the Mount Gay Distillery supplied alcohol to the pharmacy that manufactures hydroalcoholic gel for the island’s hospital.

In France, the Domaine des Hautes Glaces and Cognac and Angers production sites donated neutral alcohol to local healthcare actors so that they could produce hydroalcoholic gel for pharmacies, doctors and hospitals in their regions. The Cognac site donated 8,000 surgical and FFP2 masks to hospitals in Cognac and Saintes.

On the Isle of Islay in Scotland, the Bruichladdich distillery teamed up with the local soap factory to manufacture hydroalcoholic gel and to distribute it to the island’s hospital and doctors, as needed.

1.3.4 Ethical risks

1.3.4.1 GOVERNANCE

Challenge

It is vital that Rémy Cointreau's governance ensures that the Group's CSR policy is an integral part of its overall strategy at all levels of management, from the Board of Directors to employee management structures.

This is a real challenge for the credibility and reliability of the Group's CSR policy with its stakeholders, whether its employees or external partners. Rémy Cointreau must inspire confidence in its CSR commitments by demonstrating that its CSR strategy is implemented effectively and consistently at all levels of the business.

Policy

CSR governance within Rémy Cointreau is essentially the responsibility of the Corporate Social Responsibility Committee (CSR Committee), one of the Board of Directors' committees, for which the primary role is to oversee the implementation of the Group's CSR policy. Other tasks include honouring commitments (Global Compact and internal CSR Charters), reviewing the actions implemented (CSR plans), and monitoring the indicator dashboard, the findings of CSR reporting audits, changes in non-financial ratings and prospects for future action (updating CSR plans).

Given that they play a key role in CSR governance, part of the variable remuneration of senior executives who sit on Rémy Cointreau's Executive Committee is linked to CSR targets, in accordance with the main SDGs selected (essentially SDG 6, 8, 12, 13 and 15). Each Executive Committee member will become an ambassador for a CSR indicator and its improvement for all Group employees worldwide.

Employee involvement is also part of the governance policy with, for example, HSE (Health, Safety and Environment) officers being appointed at the Cognac site.

The ISO 9001, ISO 14001, ISO 22001, OHSAS 18001, AHVE and B-Corp certification of production sites are also evidence of day-to-day CSR governance.

Action plans

This year, the CSR Committee met three times (GRI Standard 102-27).

The main items addressed were:

- 2018/2019 CSR reporting review in relation to the new EU regulation on the non-financial performance statement;
- French Pacte law: work on the *raison d'être*;
- "Sustainability 2025" CSR plan;
- "Net Zero 2050" target;
- rollout of B-Corp certification;
- CSR risk mapping and prioritisation;
- work of the Rémy Cointreau Foundation.

In line with the decisions of the CSR Committee, the Group's Executive Committee met for two days in July to define the main strands of the future 2025 CSR plan. The meeting also enabled the Executive Committee to extend their work on the future *raison d'être* of Rémy Cointreau.

One of the key aspects of CSR governance that has historically underpinned the Group's commitments is adherence to the Global Compact. Following on from the ratification and adoption of the Global Compact, since 2003, Rémy Cointreau has maintained its commitments to be an ambassador for best practice in the field of human rights, labour standards, environment and anti-corruption.

A member of the Global Compact France Association for several years, Rémy Cointreau undertakes to respect and regularly share the ten principles of the Global Compact with its employees and partners. The concept of CSR is promoted both within the Company and externally, both upstream and downstream, to its customers, partners, suppliers and other stakeholders.

In July 2019, for the sixth consecutive year, Rémy Cointreau was awarded the GC Advanced Qualification for its annual CSR reporting. This is the highest level of recognition awarded by the Global Compact, and attests to the strength of the Group's commitment. The practical integration of the SDGs into the Group's CSR challenges and the actions taken in the context of responsible purchasing management were highlighted as some of the strengths of the Group's CSR strategy.

Closely involved in CSR issues, Rémy Cointreau is also a member of the GC Advanced Club. The purpose of this club is to share CSR best practice with other members based on cross-cutting themes. This year, for example, the following topics were discussed: "Duty of care: taking stock two years after the introduction of the law"; "Artificial intelligence: what role can ethics play?"; "Climate change and youth engagement: a generational crisis?".

More than ever before, the Group's CSR policy represents its core strategic ambition. It must contribute fully to the Group's value creation while continuing to support the Group's annual commitment under the Global Compact.

The CSR strategy is also regularly examined at Management Committee meetings and during management reviews of the Group's production sites.

The same applies for staff meetings, since the Group is keen to involve its employees in CSR.

The Creators' Conference, held on Islay for three days in September, formed part of this process. It brought together all the Group's product creators around the theme of responsible and sustainable agriculture and the preservation of *terroirs*. External experts shared their knowledge with our employees on the specific qualitative attributes of the *terroirs* and the impacts of global warming on agricultural practices.

At the Cognac site, volunteers are requested to create a dense network within the Company. For several years, HSE (Health, Safety and Environment) officers have been assigned to different departments. They are relays and spokespeople for staff in their business sector. They take part in assessing practical arrangements for reducing environmental impacts (solid waste sorting, incidents, near misses, etc.) and to pass on any suggestions for improvement to our Environment and Safety Management System. The HSE officers help achieve safety and environment targets and are called upon to reflect on changing practices. In 2019, for example, they were closely involved in organising two-day safety and environment workshops. More than 200 people visited the six different stands, which centred around themes such as occupational health, risk behaviour, road safety and recycling.

To continue raising employee awareness, special workshops can be held at production sites. This was the case this year at the Cognac site, when stands were set up for two days to promote a safety and environment culture for the site's employees. All employees have attended awareness-raising workshops on occupational health, road safety and the environment.

CSR training/information programmes for our employees are also being developed using e-learning tools. This year, a new tool was created in Cognac for staff working in markets around the world, to develop their knowledge of the Group's CSR policy and environmental commitments.

The Westland site has taken steps this year to ensure that CSR is at the heart of its corporate culture. In this respect, an individual CSR bonus was introduced as part of the employee compensation scheme.

In France, Health, Safety and Environment meetings also took place three times per year between the Angers and Cognac production sites to monitor regulatory decisions on the legal provisions contained in these topics, and to summarise the actions carried out in line with the Group's CSR policy.

For several years, the companies Cointreau and Rémy Martin have held Quality, Environment and Food Safety certification (ISO 9001, ISO 14001 and ISO 22001). Cointreau is also OHSAS 18001 certified. Bruichladdich is ISO 9001 certified and Mount Gay is ISO 9001 and ISO 22001 certified. Domaines Rémy Martin is AHVE (high environmental value farming) certified.

This year, several follow-up or renewal audits have taken place on our sites.

A QSE monitoring audit was conducted at the Cognac site, highlighting team engagement and the site's "Exception and Sustainability" strategy as strengths.

At the Angers site, Cointreau has renewed its four certifications (ISO 9001, ISO 22001, ISO 14001 and OHSAS 18001). The auditors identified numerous strengths, such as the introduction of software to monitor the environmental impact of packaging, the development of participatory and collaborative management, and QSE regulatory and health monitoring.

A renewal audit for ISO 9001 certification was also carried out at the Islay site this year. The positive findings of this audit confirmed the renewal of this certification for Bruichladdich.

The Barbados site was also audited this year. As with other Group sites, the audit results were extremely positive and ISO 9001 and ISO 22001 certification was confirmed for Mount Gay.

This year's major breakthrough for site certification was the Bruichladdich distillery, which obtained "B Corporation" (B-Corp) certification.

1.3.4.2 BUSINESS ETHICS AND TAX POLICY

Information on business ethics and tax policy can be found in chapter 2 (GRI Standards 102-16 and 102-17).

This year's actions include the publication and global distribution of the following documents:

- the Whistleblower's Charter;
- the IT security policy;
- the conflict of interest policy;
- the user guide for the application used by Rémy Cointreau as part of its due diligence procedure.

1.4 Table of indicators

TABLE OF PROGRESS INDICATORS (1) AND MONITORING INDICATORS (2)

			2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Employee related risks	Employee well-being	Turnover, in % (2) – GRI Standard 401-1			14.8	13.2	13.8
		Absenteeism, in % (2) – GRI Standard 403-2	4.6	3.0	2.3	2.0	2.3
		Workplace accident frequency rate, in % (2) – GRI Standard 403-2	8.90	13.31	9.13	8.51	11.21
		Workplace accident severity rate, in % (2) – GRI Standard 403-2	0.07	0.13	0.38	0.59	0.53
		Average age, in years(2)	41	41	41	40	41
		Seniority, in years(2)	9.4	9.1	8.4	7.9	8.0
	Non-discrimination and internal social balance	Ratio of male/female managers, in % (1) – GRI Standard 401-1			43	44	45
		Gender Equality Index, scored out of 100 (1)					83[e]
		Ratio of male/female training, in % (1) – GRI Standard 404-1		43	43	46	45
	Internal training/skills development	Percentage of employees completing at least one training course per year, in % (2)				79	74
		Hours of training (2) – GRI Standard 404-1	15,954	18,463	24,243	26,615	31,677
Environ-mental risks	Sustainable agriculture	Percentage of agricultural land managed sustainably, in % (1)			36	52	58
		Percentage HVE certification of vineyards in the Cognac wine-growing cooperative (AFC), in % (1)			23	42	50
	Climate change	CO_2 emissions (total scopes 1, 2 & 3), in tCO2eq (2) – GRI Standard 305-3		145,789	135,528	174,842[a]	180,449[f]
		Percentage of significant CO_2 emissions – product packaging, in % (2)			37.0	46.5[a]	40.6
		Percentage of significant CO_2 emissions –downstream product transportation, in % (2)			22.7	19.3[a]	12.2
		Percentage of significant CO_2 emissions – raw materials, in % (2)			30.6	14.7[a]	13.0
		Total energy consumption, in MWh (2) – GRI Standard 302-1	36,235	41,854	39,656	38,495	39,261
		Renewable electricity consumption, (world) in % (1)		78	76.8	79	82
	Water and wastewater management	Water consumption, in m^3 (2) – GRI Standard 303-1	123,729	133,418	174,945[b]	195,096[c]	189,287
		Volume of liquid waste recovered from distillation, in % (2) – GRI Standard 306-1					41[e]

			2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
	Circular economy/ customer information	Volume of solid waste recovered, in % (2) – GRI Standard 306-2	91	89	92	94	93
	Responsible purchasing	Percentage of suppliers who are Sedex members, in % (1) – GRI Standards 308-1 and 414-1	54	83	89	92	85
Societal risks	Business ethics	Percentage of the workforce trained in the code of ethics, in % (1)			80	(d)	86
		Number of alerts (2)				6	5
	Governance	Number of B-Corp certified production sites (1)					1

(a) *Indicator performance change mainly reflects the adjustment to how emissions are calculated (migration from the Bilan Carbone tool to the GHG Protocol tool) and the inclusion of the Islay, Domaine des Hautes Glaces and Westland sites.*
(b) *Indicator performance mainly reflects the partial inclusion in CSR reporting for the first time of water consumption from the well used at the Barbados site.*
(c) *Indicator performance change mainly reflects the inclusion in CSR reporting for the first time of all water consumption from the well used at the Barbados site.*
(d) *No indicator due to the frequency of training (every two years).*
(e) *New indicator 2025 CSR Plan.*
(f) *Change due mainly to an extension to scope 3 (CO_2 emissions).*

1.5 Note on methodology for reporting indicators

Rémy Cointreau complies with the legislation on non-financial performance statements (Decree No. 2017-1265 of 9 August 2017). This requires listed companies to prepare a CSR risk map for their business and to link it to progress indicators. These indicators are supplemented by monitoring and management indicators.

Since 2003, Rémy Cointreau has been a signatory to the UN Global Compact, and aims to be an ambassador for the best practices of this worldwide commitment to human rights, labour standards, the environment and the fight against corruption.

The concept of Corporate Social Responsibility (CSR) is promoted within the Company, as well as externally, with clients, suppliers and all other stakeholders.

Rémy Cointreau's new Corporate Social Responsibility (CSR) Charter is based on 10 of the 17 UN Sustainable Development Goals (SDGs).

It is based on three main pillars:

- **protecting our *terroirs*** in order to showcase their excellence, by encouraging responsible cultivation methods, safeguarding the unique characteristics of each *terroir* and finding new ways to preserve them;
- **looking after people** in order to highlight our uniqueness, with responsible, committed governance at the highest level, ensuring workplace wellness, gender equality and non-discrimination, promoting responsible purchasing, engaging with local communities and promoting responsible consumption of our products to customers;
- **recognising the importance of time** in creating exceptional products, taking an active part in the fight against global warming, conserving water resources, taking steps to reduce the environmental impact of our activities and striving for carbon neutrality.

The measures implemented in the context of the CSR policy are regularly presented in the annual reports, which describe all the CSR indicators in line with the GRI (Global Reporting Initiative indicators).

These documents are available on the Rémy Cointreau website and are sent to all stakeholders. (www.remy-cointreau.com)

1.5.1 Reporting protocol

The 2019/2020 reporting protocol is an internal document that describes Rémy Cointreau's CSR commitments and presents the structure and the resources implemented to ensure that reports are of a high standard and reliable.

It acts as a guide for internal reporting and a standard for the external verification in 2019/2020 of the various CSR indicators resulting from the non-financial performance statement.

The reporting protocol is established by Rémy Cointreau's HR and CSR departments. It can be obtained on request from the Corporate Social Responsibility Director at the following address:

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The reporting protocol is updated annually in order to take into account any changes in reporting requirements and CSR indicators.

1.5.2 Scope

Rémy Cointreau's CSR commitments apply to all companies within the Group. There are three main areas of focus: employee-related, environmental and societal.

The CSR reporting scope is based on the Group's consolidated financial scope (27 companies – production sites and distribution companies) and corresponds to the non-financial performance statement (Decree No. 2017-1265 of 9 August 2017).

Companies that are exclusively financial and joint ventures not controlled by the Group are not included in the CSR reporting scope. The same applies to companies disposed of and acquired during the year.

ENVIRONMENTAL REPORTING SCOPE

All environmental information covers the production sites in Cognac, Angers, Barbados and Islay (Scotland), as well as the companies Westland (USA), Domaine des Hautes Glaces (France) and Domaines Rémy Martin (Cognac).

All production sites are therefore included in the environmental reporting scope. The distribution subsidiaries are excluded, as their environmental impact is not deemed to be significant.

The environmental indicators listed in the following paragraph (section 1.5.3) concern all production sites, apart from the indicators below for which the scope is specified:

- percentage of liquid waste pollution/Chemical Oxygen Demand at treatment outlet (all sites excluding the Westland site);
- GHG audit – Vehicle fleet (for French sites only).

SCOPE OF HR REPORTING

The methodologies used for certain employee-related indicators may have limitations, owing mainly to:

- the absence of common definitions at national or international level;
- necessary estimates, the representativeness of the measures taken or the limited availability of external data required for the calculations.

The definitions and methodologies used for the following indicators are as follows:

1. Employees

   The employee-related reporting scope covers all 27 companies.

2. Training

   DHG and distribution companies based in Europe are not covered by the training indicator.

   The training data of the French subsidiaries takes into account training programmes taken both as part of and outside continued professional development. The number of employees trained takes into account all employees who took at least one training course during the calendar year, including those who were no longer present as of 31 March 2020. For all companies, only training courses lasting for at least one hour are listed.

3. Other indicators

   Only the production sites at Angers, Cognac, Barbados and Islay, as well as the Paris site, are included in the indicators relating to employee relations, absenteeism and workplace accidents.

   Absenteeism: scope limited to French companies (excluding DHG), the Barbados and Islay sites.

   - Sick leave only for employees recorded in the total Group workforce, *i.e.* for France, employees on permanent and fixed-term contracts. For permanent employees outside France, on the last day of each quarter with the exception of paid leave, special leave (weddings, christenings, house moves, etc.), absences for training, authorised unpaid leave, leave for trade union activities, sabbaticals and business creation, time off in lieu, compensatory leave, bank holidays and parental leave.
   - For CSR reporting, the number of employees is recorded as at 31 March. The indicator is calculated over the last 12 months.
   - The absenteeism rate is equal to the number of hours of absence divided by the number of theoretical hours worked (hours at workstation plus hours absent for illness, leave, training, travel, etc.).
   - The calculation of the absenteeism rate excludes long-term illness (absence of more than 90 days).

   Workplace accident frequency rate: scope limited to French companies (Angers, Cognac, Paris), and the Barbados and Bruichladdich sites.

   All accidents in the workplace or on business trips affecting permanent and fixed-term employees counted in the Group's total workforce for the French scope, and permanent employees for the scope outside of France, as at the last day of each quarter and requiring both a declaration to be made and leave of at least one day, irrespective of applicable national regulations.

   - This rate is expressed as the number of workplace accidents with lost time per million actual hours worked, calculated as the number of accidents with lost time multiplied by one million and divided by the actual number of hours worked.
   - An actual hour worked is one hour of work carried out within the Group by an employee during a tax period, that is to say an hour actually spent at a workstation. Hours of absence are not included (illness, leave, training, travel, etc.).
   - Where hours actually worked not available, the frequency rate may be calculated using the number of theoretical hours worked.

   Workplace accident severity rate: scope limited to French companies (Angers, Cognac, Paris), and the Barbados and Islay sites.

   - All accidents in the workplace or on business trips affecting permanent and fixed-term employees counted in the Group's total workforce for the French scope, and permanent employees for the scope outside of France, as at the last day of each quarter and requiring both a declaration to be made and leave of at least one day, irrespective of applicable national regulations.
   - This rate is expressed as the number of days lost to workplace accidents per thousand actual hours worked, calculated as the number of days lost multiplied by 1,000 and divided by the actual number of hours worked.
   - The number of lost days has to be calculated as calendar days from the day of the accident.
   - An actual hour worked is one hour of work carried out within the Group by an employee during a tax period.
   - Where hours actually worked not available, the severity rate may be calculated using the number of theoretical hours worked.

1.5.3 Selected indicators

All indicators included in 2019/2020 reporting are listed below.

They are also presented in the 2019/2020 reporting protocol where, for each one, a detailed fact sheet specifies its scope, definition, calculation methodology, the necessary data and the checks carried out to calculate and verify the figures obtained.

SOCIAL INDICATORS

- Total Group workforce.
- Breakdown of employees by gender and position.
- Breakdown of employees by geographic area.
- Number of recruitments by position and contract type.
- Number of departures detailed by reason.
- Average age by professional category.
- Average length of service by gender and by socio-professional category.
- Absenteeism rate.
- Workplace accident frequency rate.
- Workplace accident severity rate.
- Percentage of disabled employees in the total workforce.
- Number of training hours by gender.
- Workforce trained by gender.
- Gender equality index.

ENVIRONMENTAL INDICATORS

Energy

- Total energy consumption.
- Direct energy consumption (fuels).
- Indirect energy consumption.
- Renewable energy consumption.

Water and liquid waste

- Water consumptions.
- Volumes of liquid waste.
- Percentage of liquid waste pollution/Biological oxygen demand at treatment outlet.
- Percentage of liquid waste pollution/Chemical Oxygen Demand at treatment outlet.
- Volume of liquid waste recovered.

Sustainable agriculture

- Agricultural land farmed sustainably.
- Certification of the Alliance Fine Champagne cooperative (Cognac).

Packaging raw material

- EPI (Environmental Performance Index).

Solid waste

- Quantities of solid waste.
- Percentage of materials recovery from solid waste (hazardous and non-hazardous).
- Percentage of energy recovery from solid waste (hazardous and non-hazardous).

Carbon footprint assessment

- CO_2 audit – CO_2 emissions (scopes 1 and 2).
- CO_2 audit – CO_2 emissions (scope 3).
- CO_2 audit – Significant CO_2 emissions (scopes 1, 2 and 3).
- CO_2 audit – Business travel.
- CO_2 audit – Vehicle fleet.

SOCIETAL INDICATORS

Business ethics

- Percentage of employees trained.
- Number of alerts.

Responsible purchasing

- Percentage of suppliers who are registered with SEDEX.

1.5.4 Relevance of indicators

The CSR indicators used by Rémy Cointreau demonstrate the concrete nature and reliability of the measures the Group implements in relation to its CSR commitments.

They contribute to the decision-making process of the users of these indicators in respect of plans designed to enable Rémy Cointreau to make the necessary progress and achieve its CSR objectives.

1.6 Cross-reference tables

Cross-reference table – Non-financial performance statement	Pages
Employee-related consequences of the business	
Collective agreements and their impacts	41-45
Tackling discrimination	43-44
Promoting diversity	43-44
Societal commitments	65-69
Commitments to disability	44
Environmental consequences of the business	
Climate change	51-59
Circular economy	61-64
Food waste	n/a
Food poverty	n/a
Animal welfare	n/a
Responsible, fair and sustainable nutrition	n/a
Impact of the business on respect for human rights	**2-3, 41-45, 66-67**
Impact of the business on the fight against corruption and tax evasion	**71, 108-111**

Cross-reference table of CSR/Global Compact GC Advanced commitments		Pages
General information	Chairman & Chief Executive Officer's declaration of ongoing support for the United Nations Global Compact and its principles	2-3
	Description of policies or measures implemented with regard to human rights, international labour standards, the environment and the fight against corruption	34-40
	Quantitative measurement indicators	42-43, 72
	Assessment by a credible third party of the accuracy and scope of the information	80-82
	Use of high standards of transparency and disclosure such as the GRI (Global Reporting Initiative) guidelines	79
	Integration of Sustainable Development Goals (SDGs)	2-3, 34-40
	Actions to advance Sustainable Development Goals (SDGs)	34-40
GC Advanced criteria: implementing the ten principles into Strategies & Operations	Criterion 1: description of mainstreaming into corporate functions and business units	2-3, 34-40, 65-66, 70-71
	Criterion 2: description of value chain implementation	46-49, 66-67
	Criterion 3: description of robust commitments, strategies or policies in the area of human rights	41-45, 66-67
	Criterion 4: description of effective management systems to integrate human rights principles	2-3, 41-45, 66-67
	Criterion 5: description of effective monitoring and evaluation mechanisms of human rights integration	2-3, 41-45, 66-67
	Criterion 6: formulation of robust commitments, strategies or policies in the area of labour standards	41-45, 66-67
	Criterion 7: description of effective management systems to integrate the labour principles	41-45, 66-67, 71, 108-111
	Criterion 8: description of effective monitoring and evaluation mechanisms of labour principles integration	41-45, 47-48, 66-67, 70-71
	Criterion 9: formulation of robust commitments, strategies or policies in the area of environmental stewardship	2-3, 34-49, 66-67
	Criterion 10: description of effective management systems to integrate the environmental principles	2-3, 34-40, 46-49, 62-63, 70-73, 108-111
	Criterion 11: description of monitoring and evaluation mechanisms for environmental stewardship	2-3, 34-40, 46-67, 72-73
	Criterion 12: formulation of robust commitments, strategies or policies in the area of anti-corruption	2-3, 71, 73, 108-111
	Criterion 13: description of effective management systems to integrate anti-corruption principles	71, 73, 108-111
	Criterion 14: description of monitoring and evaluation mechanisms for the integration of the anti-corruption principles	71, 73, 108-111
GC Advanced criteria: taking action in support of broader UN goals and issues	Criterion 15: description of core business contributions to broader UN goals and issues	2-3, 34-40, 67-71
	Criterion 16: description of strategic social investments and philanthropy	2-3, 25, 49-51, 67-69
	Criterion 17: description of advocacy and public policy engagement	46-59, 65-66
	Criterion 18: description of partnerships and collective actions	47-51, 66-69
GC Advanced criteria: CSR governance and leadership	Criterion 19: description of CEO commitment and leadership	2-3, 34-40
	Criterion 20: description of Board adoption and oversight	2-3, 34-40
	Criterion 21: description of stakeholder engagement	34-49, 65-67, 70-71, 108-11

Cross-reference table of CSR/Global Reporting Initiative (GRI) Indicators – GRI Standard Version		Pages
Strategy & analysis	102-15	36
Ethics and integrity	102-16	71
	102-17	71
Governance	102-27	70
Stakeholder engagement	102-43	64
	102-44	64
Recycled raw materials	301-2	63
Energy consumption	302-1	57-59, 72
Reduction of energy consumption	302-4	57
Water consumption	303-1	60, 62, 72
Protected or restored habitats	304-3	50
Scope 1 GHG emissions	305-1	54
Scope 2 GHG emissions	305-2	54-55
Scope 3 GHG emissions	305-3	52-53, 55-56, 62, 72
Reduction in GHG emissions	305-5	56
Liquid waste	306-1	59, 61, 72
Tonnage of solid waste	306-2	63-64, 73
Supplier CSR assessment (environmental criteria)	308-1	66, 73
Employee turnover rate	401-1	42, 72
Work-related accidents and absenteeism	403-2	43, 72
Hours of training	404-1	45, 47, 72
Supplier CSR assessment (HR criteria)	414-1	66, 73
Product information (responsible consumption)	417-1	65-66

1.7 Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated non-financial statement included in the management report

For the year ended March 31st 2020

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the annual general meeting,

In our capacity as Statutory Auditor of the company Rémy Cointreau (hereinafter the "entity), appointed as an independent third party and accredited by COFRAC under number 3-1060 rév.2 (whose scope is available at www.cofrac.fr), we hereby report to you on the consolidated non-financial statement for the year ended March 31st 2020 (hereinafter the "Statement"), included in the management report pursuant to the legal and regulatory provisions of articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

THE ENTITY'S RESPONSIBILITY

Pursuant to legal and regulatory requirements, the Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are available on request from the entity's head office.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the provisions of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional guidance and applicable legal and regulatory requirements.

RESPONSIBILITY OF THE STATUTORY AUDITOR, APPOINTED AS AN INDEPENDENT THIRD PARTY

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the provisions of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225-105 I, 3 and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions, in particular the French duty of care law and anti-corruption and tax evasion legislation;
- the compliance of products and services with the applicable regulations.

NATURE AND SCOPE OF OUR WORK

The work described below was performed in accordance with the provisions of articles A. 225-1 *et seq.* of the French Commercial Code determining the conditions in which the independent third party performs its engagement and with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements, as well as with ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

Our procedures allowed us to assess the compliance of the Statement with regulatory provisions and the fairness of the Information:

- we obtained an understanding of the consolidated entities' activities, the description of the social and environmental risks associated with their activities and, where applicable, the impact of these activities on compliance with human rights and anti-corruption and tax evasion legislation, as well as the resulting policies and their outcomes;
- we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, objectivity and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III as well as information regarding compliance with human rights and anti-corruption and tax evasion legislation;
- we verified that the Statement presents the business model and the principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships and products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators;
- we verified, where relevant with respect to the principal risks or the policies presented, that the Statement provides the information required under article R. 225-105 II;
- we assessed the process used to identify and confirm the principal risks;
- we asked what internal control and risk management procedures the entity has put in place;
- we assessed the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented;
- we verified that the Statement covers the scope of consolidation, i.e., all the companies included in the scope of consolidation in accordance with article L. 233-16;
- we assessed the data collection process implemented by the entity to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes[1] that we considered to be the most important, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - substantive tests, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities, namely Cointreau SA (France) and E. Rémy Martin & Cie (France). The selection covers between 28% and 80% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- we referred to documentary sources and conducted interviews to corroborate the qualitative information (measures and outcomes) that we considered to be the most important and whose list is presented in appendix;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

MEANS AND RESOURCES

Our work was carried out by a team of 5 people between March and June 2020 and took a total of 13 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted about 10 interviews with the people responsible for preparing the Statement, representing Human Resources, Financial communication, Finance, Compliance and Environment departments.

CONCLUSION

Based on our work, nothing has come to our attention that causes us to believe that the non-financial statement is not in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Neuilly-sur-Seine, 29 June 2020

One of the Statutory Auditors

PricewaterhouseCoopers Audit

Olivier Auberty	Sylvain Lambert
Partner	Partner in charge of the Sustainability Department

(1)

Appendix: List of the information we considered most important

Selection of qualitative and quantitative information, associated to the policies, actions and results relating to the 15 main risks identified for Rémy Cointreau activities, presented in the following sections of the management report:

Main risks (Rémy Cointreau Challenges)	Sections of the management report presenting the associated policies, actions and results reviewed in the context of our work
Responsible consumption (external)	• Section 1.3.3.1
In-house training Skills development	• Section 1.3.1.3 *Including the KPIs: « % Percentage of employees completing at least one training course per year » and « Hours of training»*
Non-discrimination and internal societal balance	• Section 1.3.1.2 *Including the KPIs: « Women managers/Men managers ratio », « Ratio of Women/Men that benefited from at least one training course » and « Gender Equality Index »*
Water management	• Section 1.3.2.4 *Including the KPIs: « Water consumption », « Water consumed », « Water consumption reduction rate » and « Rate of vinasse recovery »*
	• Section 1.3.1.1 *Including the KPIs: « Turnover », « Absenteeism rate», « Workplace accident frequency and severity rate », « Average age », « Seniority», « Workforce by geographic area, activity, function and occupation »*
Responsible purchasing	• Section 1.3.3.2 *Including the KPI: « % of suppliers who are Sedex members »*
	• Section 1.3.3.3
Internal societal and social balance Global consistency	• Section 1.3.1.2 *Including the KPIs: « Employment rate of people with disabilities » and « % of work-study contracts »*
	• Section 1.3.2.5 *Including the KPI: « Volume of solid waste recovered »*
Contribution to the global effort (2°C limit) Sustainability of the company	• Section 1.3.2.3 *Including the KPIs: « CO_2 emissions – Scopes 1 & 2 », « CO_2 emissions reduction rate (in intensity and in absolute terms) », « Total energy consumption » and « % of renewable electricity consumption »*
	• Section 1.3.2.1 *Including the KPIs: «% of agricultural land managed sustainably » and « Percentage of Cognac wine cooperative (AFC) vineyards with HVE (level 3) certification »*
Biodiversity conservation	• ection 1.3.2.2
Business ethics	• Section 1.3.4.2 and Chapitre 2.4 *Including the KPIs: «% of the workforce trained in the code of ethics » and « number of alerts »*
Governance	• Section 1.3.4.1 *Including the KPI: « Number of B Corp certified production sites »*


LOUIS XIII
Rémy Martin
TIME COLLECTION
TRIBUTE TO
CITY OF LIGHTS - 1900

2

GROUP RISKS

2.1 Risk management and internal control procedures

This section on risk management and internal control was drafted and prepared on the basis of the risk management and internal control framework of the French Financial Markets Authority (Autorité des marchés financiers, AMF).

General principles of risk management

For Rémy Cointreau, risk management is an integral part of the responsibilities of the various management teams at the Group level, as well as at the division and Company levels. Some risks inherent to the Group's activities are described in section 2.2 "Risk factors", as well as the policies aimed at preventing and dealing with them.

Definition and objectives of risk management

Risk represents the possible occurrence of an event with a potential impact on people, assets, the environment and the objectives of the Company or its reputation. The definition used in this registration document goes beyond the financial aspects, and covers the reputation of the Group brands and the sustainability of the Company. It is therefore important that all staff and, in particular, management teams are completely aware of how to manage risk, with the following objectives:

- to create and preserve the value, assets and reputation of the Group;
- to safeguard decision-making and operational processes to ensure that objectives are achieved;
- to promote the consistency of the Group's activities with its values;
- to promote a shared vision among Group employees of the main risks weighing on their activities.

Components of risk management

RISK MANAGEMENT ORGANISATION

Ground rules on the definition of key risks, setting standards such as the assessment of their importance and tolerance limits, and procedures for collection of information, have been clearly defined through the formalisation of risk mapping in April 2008, most recently updated in 2019.

The key players are the members of the Group Executive Committee, divisional management committees and the key market executives. They are responsible for identifying the principal risks in their field or geographic area and the extent of those risks given their frequency and the scale of the potential impact, in terms of either reputation or the Company's accounts. They are also responsible for action plans to secure operations.

The information collected is summarised for distribution to all stakeholders. This system can be supplemented by feedback, allowing it to be strengthened virtually in real time.

RISK MANAGEMENT PROCEDURES

Risk management procedures comprise four distinct stages:

1. identification of key risks in all areas. These risks are classified by predefined category and by location to allow for the analysis of either a particular category or a given country;
2. analysis of each risk, leading to an assessment of its importance, allowing risks to be prioritised and ensuring a focus on those risks identified as major;
3. implementation of action plans with the aim of eliminating risks, reducing them to a predetermined acceptable level, transferring them by taking out an insurance policy, or accepting them;
4. monitoring of the process over time by those responsible, who must provide information on their development, particularly during internal audit reviews, to ensure risks are appropriately managed.

The risk management process has helped promote a culture of risk and the sharing of best practice within the Group by the principal players in terms of both action plans and methodology. The result of this process is risk mapping that is regularly updated. It is aimed at identifying the major risks at a particular time, so that these can be reported to the Audit Committee for inclusion in annual internal audit programmes, and at ensuring that insurance policies are relevant, with adequate cover for the risks identified.

PERMANENT MONITORING OF RISK MANAGEMENT

All risks considered significant are subject to *ad hoc* reviews due to their inclusion in the audit programme for the year and to systematic reviews in which stakeholders are required to confirm the implementation of action plans provided, reassess their level of tolerance when these actions have been carried out, and advise on the emergence of new risks.

Connection between risk management and internal control

Risk management and internal control mechanisms complement each other for better control of the Group's activities.

The internal control system relies on the risk management system to identify the key controls to be carried out. In addition, the risk management system is also controlled to ensure its correct functioning.

The relationship and balance between the two systems depends on the control environment that underpins them, particularly in terms of the risk and control culture inherent to the Company and its ethical values.

General principles of internal control

DEFINITION AND OBJECTIVES OF INTERNAL CONTROL

The system consists of a set of resources, behavioural patterns, procedures and actions implemented by senior management to enable the Company and its subsidiaries to better control their activities, to make their operations more efficient and to optimise the use of their resources and ensure the proper functioning of risk management. It therefore goes beyond simple procedures or accounting and financial processes.

It aims in particular to ensure:

- the implementation of instructions and guidelines set by senior management;
- the proper functioning of the internal processes of the Company, including those contributing to the safeguarding of its assets;
- compliance with laws and regulations, and with the directives issued by the governing bodies and senior management;
- the reliability of financial information.

Like any control system, it has its limitations and cannot provide an absolute guarantee of achieving the objectives set by the Company. The likelihood of achieving these objectives relies not only on the will of the Company, but on many other factors, including the uncertainty of the outside world, the exercise of powers of judgment or malfunctions that may occur due to technical or human failure.

COMPONENTS OF INTERNAL CONTROL

The major principles of Internal Control are:

A system of **delegation of power** that aims to reflect the Group's genuine decision-making centres, consistent with the size and complexity of Group structures and the various levels of responsibility of each person, has been put in place to increase the effectiveness of the Group's women and men, and to make them aware of their responsibilities.

The **internal control procedures** reiterate the common core of internal control principles and rules applicable to all of the Group's subsidiaries for each of the 10 main operational cycles identified.

The **14 self-assessment questionnaires**, updated each year, address different principles of Rémy Cointreau: governance, operating activities, IT support, and compliance. They are submitted to the Group's subsidiaries and used to assess the appropriateness and effectiveness of their internal control. The responses are analysed and then used in (i) an overview of each subsidiary and (ii) a full report to the Executive Committee.

The Group Audit department has an **Internal Audit Charter** for all Group employees. This charter includes the ethical and methodological operating framework of Internal Audit.

The effectiveness of these principles is closely linked to the control environment, the five principal components of which are described below.

1. An appropriate and structured organisation

In order to foster an exchange of best practice and cross-group control of its operations, the Group has chosen a matrix-based organisation. Functional management provide their expertise to operating management, taking into account their specific local features. For the sake of clarity, regularly updated organisational charts are available on the Group's intranet.

This organisation is enhanced by a human resources policy based on ability, knowledge and the aspirations of the men and women comprising the Group. The Group is committed to a recruitment policy that improves the professionalism of its staff and attracts talent, as well as a policy that develops skills that will maintain a high degree of expertise in its workforce.

It is based on an information system that uses modern, high-performance Enterprise Resource Planning (ERP) solutions to meet the Group's growth ambitions. Continuity in the event of a disaster is ensured by emergency procedures whose effectiveness is tested periodically. Protection of ERP software and related data is ensured by security, backup and access procedures.

Rémy Cointreau's reputation is built on strong ethical values, namely integrity, respect for the law and the individual, honesty in dealings with customers, suppliers and employees, and social and environmental responsibility. These principles have resulted in the development of **a code of business ethics** aimed at ensuring that all of the Group's employees, whatever their nationality or location in the world, understand the full range of its values. This unified code – which has been translated into the 13 languages used within the Group – is the cornerstone of the Group's internal control and risk management systems.

2. Internal distribution system for relevant information

The timely publication and communication of relevant information to everyone within the Group – enabling them to be as well-informed and confident as possible in carrying out their responsibilities – is based on the following three main factors:

- departmental meetings organised on a periodic basis by the Group's various actors, in order to publish and share operational information, exchange points of view, set priorities and co-ordinate action plans;
- technical databases housed within the Group's intranet, which are accessible 24/7 worldwide and which enable the various participants to consult the information necessary for the proper performance of their duties;

- structured data warehouses, updated on a daily basis, providing the people concerned with relevant and reliable information to enable them to make timely decisions.

3. Risk management

The Group has set up a risk management system to identify, analyse and address the major risks identified in relation to its objectives. It is described above in the section entitled “General principles of risk management”.

4. Control procedures

Each Group area or activity has its own reference documentation. It comprises charters, codes, standards, procedures and rules of best practice. These documents set out the manner in which a procedure, action or check must be performed, and are an integral part of the internal control process. They are based on the following key areas of expertise:

- purchasing: supplier relations are regulated by an ethical contract that makes reference to the UN Global Compact. It provides assurance to the Group that its suppliers adhere to the same values of respect for human rights, the environment and fundamental social principles. In addition, **the code of conduct for purchasing** ensures that best practices are adopted by all Rémy Cointreau purchasers, avoiding, wherever possible, any infraction that may be detrimental to the Group’s interests;
- safety and quality: all production standards and rules issued by operations management are held in a single database. Their application is regularly reviewed as part of the ISO 9001, 14001 and 22000 certifications, as well as HACCP accreditations, thereby guaranteeing consumers a high level of quality and safety as well as respect for the production site environment. This is rounded out by a Quality/Safety/Environment Charter defining the Group’s three priorities, namely product excellence, employee and consumer safety and protection of the environment;
- IT systems: in terms of IT security, the Head of Group IT Security supervises all of the procedures of Group entities and subsidiaries, including those located abroad. It coordinates the implementation of security policies and their associated procedures. In addition, production continuity plans including back up sites have been successfully established for most of the Group’s sites and in compliance with the specifications setting out the relevant performance objectives. These are tested on a periodic basis to guarantee their efficiency, as well as to improve the extent of their coverage and performance;
- central management of funding and cash: the Foreign Exchange Charter sets out the principles that must be followed to ensure greater security in this area. This document is supplemented by a summary of the risks of the principal processes managed by the Group’s Treasury department. The Treasury department is responsible for laying down a policy and reporting procedures for managing credit;
- consolidation of financial statements and reporting: Rémy Cointreau has a set of principles and standards enabling the production of reliable financial information. The comparability of data is guaranteed by the existence of a single set of definitions and principles for valuation purposes and the processing of accounting and financial data for the three processes of budgeting, updating the budget and monthly closings. The calendar for the financial and accounting processes detailing the reporting dates for information and its distribution enables senior management to manage their priorities. The availability of these rules on the Group intranet is aimed at guaranteeing that it is consistently updated and ensuring that all financial personnel are in possession of the same information. In addition, the Chief Executive Officers and Chief Financial Officers of the subsidiaries must send a letter of representation to the Group Chief Executive Officer and Chief Financial Officer, in which they assume responsibility for the fairness of the financial statements and the implementation of an internal control process to detect and prevent fraud and errors.

Moreover, the Group’s financial controllers can access an intranet portal at any time to view a wealth of different information: self-assessment questionnaires for internal control, best practice in a number of areas of competence, grids of separation of duties, instructions and formats for internal control reports, contacts, links to reference sites, and even the latest news in the fields of risk management, internal control and auditing.

5. Permanent monitoring

Internal control is implemented by Operational and Functional departments under the guidance of senior management.

Work is carried out on a regular basis to monitor the proper functioning of their procedures, either by dedicated internal teams or by specialised external organisations, ensuring the effectiveness of the internal control system in place. The findings of this work form the basis of a report, a summary of which is sent to site managers.

The Internal Audit department takes an active part in monitoring internal control procedures, using operating and compliance audits. It ensures the implementation of best practices and compliance with both local laws and regulations, as well as the Group’s principles and standards.

The results of all this work are disclosed to the Statutory Auditors. Conversely, comments issued by the external auditors as part of their annual assignment are taken into consideration by the Internal Audit department.

Scope of risk management and internal control

The internal control system mirrors the Group's matrix organisation. The Group has put in place its own system and ensures that internal control is implemented in its consolidated subsidiaries. These internal controls are adapted to the specific features of the subsidiaries and their relationship with Rémy Cointreau.

Persons involved in risk management and internal control

The respective roles of the principal internal and external players involved in internal control are as follows:

SENIOR MANAGEMENT AND THE EXECUTIVE COMMITTEE

The Executive Committee – comprising senior operational and functional managers – lays down guidelines for the internal control and risk management process, defines the roles and responsibilities of the main stakeholders, co-ordinates their implementation and ensures their effective application.

BOARD OF DIRECTORS

The Board of Directors familiarises itself with the essential features of the internal control and risk management process established by senior management, and ensures that the major risks identified and incurred by the Company are taken into account in its management. As such, the Board is kept informed by the senior management of the main risks facing the Group and the action plans carried out. In respect of the process of preparing accounting and financial information, the Board ensures that the management and control process that has been established guarantees the reliability of accounting and financial information.

AUDIT COMMITTEE

The Audit Committee ensures that internal control procedures are in place and are applied, both in the accounting and financial field and other areas of the Company.

It is kept informed of the results of audit assignments and reviews the annual audit schedule together with the organisation of the Internal Audit department.

It keeps abreast of the major risks identified, their analysis and development over time.

INTERNAL AUDIT

Internal Audit – which reports to the Chairman of the Group's Board of Directors – works with all Group entities and, where necessary, with third-party companies in the case of distribution or production subcontracting.

Its work is planned in agreement with senior management and the Audit Committee. Its assignments are identified based on risks listed in the risk mapping, the prevailing economic environment and specific requests from the management of the Group's various entities. They are subsequently classified according to priority, based on several criteria and included in the annual schedule.

The findings of the audit assignments – following a general debate – are sent to the management of the entity concerned. A summary of the findings, as well as an action plan to which the local entity management is committed, is subsequently presented to the senior management.

Once a year, the Internal Audit officer presents the Audit Committee with guidelines for the annual schedule and a summary of achievements of the previous financial year.

In addition to these audit assignments, the internal audit function is in charge of updating the risk mapping and promoting internal control within the Group. In that respect, it is the recipient of different summary reports on internal control prepared by the various entities, which provide an overview of Group risks.

In order to cover the different types of risks, compliance management and insurance policy management come under the remit of Internal Audit, to ensure that the Group's insurance policies are appropriate to the risks identified.

FINANCE DEPARTMENT

Its main task is to assist and monitor the operational departments in their financing activities. It establishes the rules for consolidation and management and ensures the definition and promotion of tools, procedures and best practice in areas such as management, accounting and consolidation, funding and treasury, taxation, financial communication and IT systems.

OPERATIONS DEPARTMENT

It has wide-ranging tasks, combining functions such as the supply chain, purchasing, quality, production organisation and industrial management. It establishes a set of standards and methods for achieving a high level of production quality, as well as safety and respect for the environment. It also supports the subsidiaries in implementing their supply-chain and industrial policies.

LEGAL DEPARTMENT

The Legal department assists companies in significant legal matters and in litigation management. In particular, it coordinates the introduction of contractual clauses into the various distribution agreements and the legal protection of the Group's brands, intellectual property and other assets.

COMPANY OR DIVISION MANAGEMENT COMMITTEES

These committees are fully involved in the risk management and internal control processes. They are stakeholders in the development and updating of the Group's risk mapping. They analyse the results of self-assessment questionnaires and issue a report on their own internal control, which is then submitted to the Group. They develop action plans in response to the recommendations of the internal audit function. They are also involved in crisis management and the existence of business continuity plans whose effectiveness is periodically tested by means of dry runs.

The internal control system as it relates to the preparation of accounting and financial information

Our approach is part of a process of continuous improvement of the established internal control system.

The internal control procedures in relation to preparing and processing financial and accounting information apply to the parent company and all of the subsidiaries included in the consolidated financial statements.

For their financial and accounting processes, internal control is designed to ensure:

- compliance with laws and regulations and the correct application of instructions and directions set by Group management in the preparation of accounting and financial information;
- the reliability of information used in the preparation of financial and accounting information, as well as published information;
- the preservation of assets.

ACCOUNTING AND FINANCIAL ORGANISATION GUIDANCE PROCEDURE

Organisation

The process of preparing financial and accounting information is carried out by the Group Finance department. It supervises the management of the Accounting, Finance and Taxation department, the management control function, the Funding and Treasury department, IT Information Management department and Financial Communications. Each of these departments co-ordinates internal control of a financial nature in its own area. The system is further enhanced by the presence of financial controllers within each division.

Financial and accounting procedures

The Finance department has created an intranet portal dedicated to the management principles and accounting standards adopted by the Group and the application of which is mandatory for all subsidiaries. The portal also provides subsidiaries with the Group's chart of accounts, instructions on how to use the consolidation package, a list of companies included in the consolidation scope and information on exchange rates. It also ensures the consistency of data processing and its compliance with IFRS.

At every closing date, the instructions cover key dates in the calendar as well as matters that require specific attention to enable the various Group companies to be well prepared, so that the required information is disclosed within the appropriate timeframe and that the proper checks are carried out in advance of the preparation of financial and accounting information.

Other than the documentation presented above, the Group has monthly closings. Those before the interim or full-year closing serve as pre-closing reports used to identify and anticipate the different possibilities of treating specific and non-recurring transactions. They are disclosed to the Statutory Auditors for validation at preliminary meetings held when the accounts are closed.

IT systems organisation and safety

The Information Systems department has established procedures aimed at ensuring the continuity of accounting data processing. Some hardware has accordingly been duplicated so that the backup can automatically take over in the event of sudden failure. This system is supplemented by periodic dry runs testing the resumption of IT activity in the event of a major disaster.

In respect of data retention and protection, access to accounting and financial data is secured by individually granted rights that are non-transferable, and password protected. All data is backed up every day. Batch data processing work is also programmed in a specific sequence, with systems that alert the principal users in case of an incident. This procedure also applies to IT programmes developed by the Group.

In addition, other automatic control systems have been established, such as double entry locking, data entry thresholds, automatic reconciliation and limited access to critical transactions.

The Statutory Auditors

As part of the interim and annual closing of the financial statements, the Statutory Auditors carry out various forms of review:

- preliminary reviews, which may focus on the internal control of processes for the preparation of accounting and financial information;
- a limited half-yearly review of all accounting and financial data prepared by Group companies;
- a limited half-yearly review of the interim consolidated financial statements prepared by the Finance department;
- a review of all year-end accounting and financial data prepared by Group companies;
- a review of the year-end consolidated financial statements prepared by the Finance department.

This allows the Statutory Auditors to certify the legality, truthfulness and fair presentation of consolidated and parent company financial statements. The summary of their work is presented to the Group's Finance department, and to the Audit Committee.

PROCESSES CONTRIBUTING THE PREPARATION OF ACCOUNTING AND FINANCIAL INFORMATION

Operating processes for preparing the financial statements

All the initial accounting production processes are subject to specific procedures as well as validation, authorisation and recognition rules. As such, procurement is carried out within a fully secured framework, with a list of pre-selected suppliers and previously negotiated terms and conditions. Order forms are required for all purchases exceeding a given threshold, and investment projects approved by the Executive Committee must be duly documented, justified and endorsed before they are implemented.

Closing process and preparation of the consolidated financial statements

The process of closing the financial statements is subject to specific instructions, which provide detailed schedules, exchange rates to be used, consolidation scopes and specific matters to be monitored. These instructions are sent to all companies, thereby ensuring compliance with deadlines, certainty that the same closing specifications are used, harmonisation of data reporting and better co-ordination between the various Group entities.

Procedures for validating the various stages of the consolidation process have also been established. Their main objective is to validate the following:

- correct application of accounting standards and principles;
- relevance of restatements of certain corporate data;
- identification, reconciliation and elimination of intersegment transactions;
- correct calculation of deferred taxation;
- correct analysis and explanation of movements in shareholders' equity, both at parent company and consolidated levels;
- consistency between management and accounting information.

Financial communication procedure

Financial Communication managers draw up a schedule summing up all of the Group's obligations in terms of accounting and financial disclosures. It specifies the nature of the information and the name of the person in charge of its drafting or preparation. Once the information is available, a proofreading procedure assesses its reliability and accuracy, whether the information is of an accounting nature or otherwise (workforce or volume). The Legal department ensures compliance with the prevailing laws and regulations in respect of both the nature of the information and the mandatory deadlines, and with the principle of providing the same disclosures to all shareholders.

2.2 Risk factors

The main risk factors to which the Group is exposed are presented below in five main categories. These risks, specific to the Rémy Cointreau Group, were identified in the Group risk mapping conducted in 2019 and ranked according to their potential impact and likelihood.

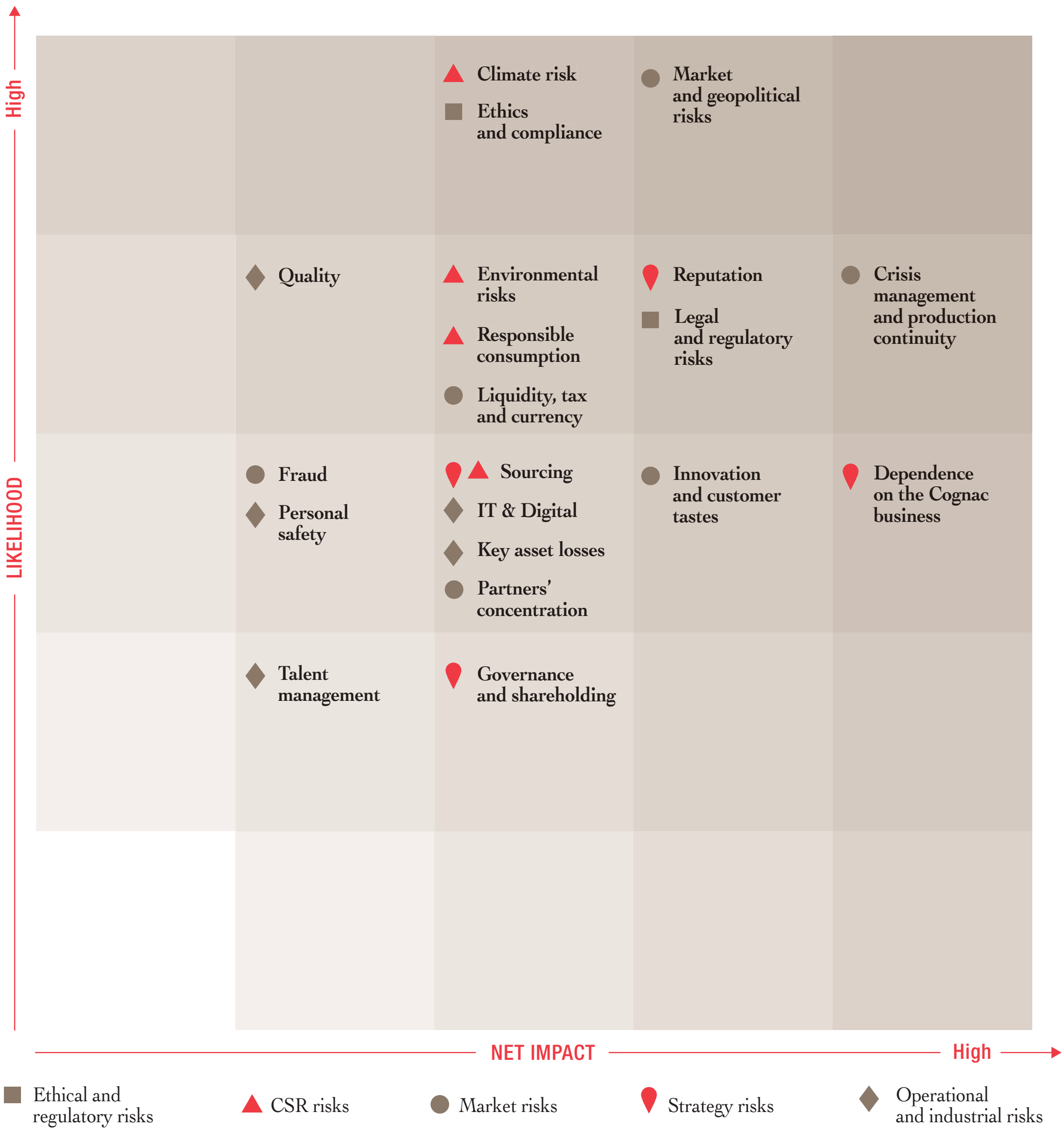
The risk mapping below represents the Rémy Cointreau Group's exposure, after considering the risk-control measures implemented to limit their likelihood and impact.

The Audit and Risk Committee was involved in defining this matrix.

The risk factors appear in a limited number of categories according to their type. In each category, the most material risks appear first.

The Group has set up a system to anticipate and manage its risks. This system is updated periodically to take into account any regulatory, legislative, economic, societal, geopolitical and competitive changes. Each year, the main risks to which the Rémy Cointreau Group is exposed undergo a reassessment involving all stakeholders.

This chapter includes a detailed description of the system for managing these risks.



• Strategic risks	2.2.1.1	Reputational risk
	2.2.1.2	* Sourcing management risk
	2.2.1.3	Dependence on the Cognac business
	2.2.1.4	Governance and shareholding
• Operational and industrial risks	2.2.2.1	IT & Digital
	2.2.2.2	Risks of key asset losses
	2.2.2.3	Quality
	2.2.2.5	Talent management
	2.2.2.6	Personal safety
• Market risks	2.2.3.1	Crisis management and business continuity
	2.2.3.2	Market and geopolitical risk
	2.2.3.3	Liquidity, tax, and currency risk
	2.2.3.4	Innovation and customer tastes
	2.2.3.5	Fraud
	2.2.3.6	Dependency risk related to our partners'concentration
• Ethical and regulatory risks	2.2.4.1	Ethics and compliance
	2.2.4.2	Legal and regulatory risks
• CSR risks	2.2.5.1	* Climate risk
	2.2.5.1	* Environmental risks
	2.2.5.2	* Risks associated with responsible consumption

* *An asterisk before a risk indicates that the risk is covered in Chapter 1.*

2.2.1 Strategic risks

2.2.1.1 REPUTATIONAL RISK

Risk presentation

The Rémy Cointreau Group has a strong work ethic. Its teams are renowned for their professionalism and its products are recognised for their quality and authenticity. Together these factors underpin the success of the Group's brands, and are part of the reason why consumers have such a positive image of them.

The reputation and image of the Group and its brands could be significantly undermined at any time by an incident at one of the production or distribution sites, by the inappropriate behaviour of one of its employees, by a quality defect, or by negative communication on social networks or in traditional media. Similarly, and in another area, counterfeit goods sold by third parties could mislead the Group's clients, having a lasting and significant impact on the Group's image and affecting the Group's results.

Potential impact on the Group

The immediate consequences would be customers moving away from the Group, which could potentially call into question the Group's strategy in its different markets.

The reputational value of a brand is essentially based on how its customers perceive it, and even one apparently isolated event can have a significant impact.

Management and measures implemented

This image is one of the brands' key strengths, bolstering consumer confidence in the Group's products.

In order to best manage these risks and their consequences, the Group has implemented several measures:

- since 2009, the Group has shared its Ethics Charter and its code of business conduct with all employees. These documents are updated regularly, with the latest update being in 2019.
  The Ethics Charter's purpose is to promote the values of the Rémy Cointreau Group.
  The purpose of the code of conduct is to ensure the proper application of laws and regulations applicable to the Rémy Cointreau Group. It also serves to raise all Group employees' awareness of the various risks they may face.

In 2018, this code of conduct was supplemented by the Anti-Corruption code of conduct;

- the Group has expanded its digital marketing teams and set up an effective media monitoring strategy, enabling it to respond quickly and effectively to potential rumours;
- a crisis-management plan has also been developed and rolled out to all Group subsidiaries so that they can take appropriate action as soon as possible;
- as part of its CSR policy, Rémy Cointreau educates its employees to act, at all times, in accordance with the Group's Ethics Charter;
- finally, Rémy Cointreau works closely with the authorities in each country to crack down on counterfeiting, and takes part in consumer awareness initiatives on the dangers of counterfeit products. This is discussed in more detail in the section "Brands and intellectual property".

2.2.1.2 SOURCING MANAGEMENT RISK

Risk presentation

A majority of the Rémy Cointreau Group's production is carried out in-house, in line with its strategy of exceptional products tied to their *terroirs*. Supply security is therefore a critical issue:

- to guarantee continued growth for the Rémy Cointreau Group;
- to ensure that its partners apply the same environmental principles: respect for the environment; responsible production that is faithful to its *terroir*; and a target of zero plastics within a few years.

Potential impact on the Group

A supply disruption in either volume or quality could result in a production breakdown and thus a loss of business.

Moreover, working with partners who do not respect Rémy Cointreau's commitments, as defined in the CSR report, would be likely to compromise Rémy Cointreau's commitments to its *terroirs* and its customers.

Management and measures implemented

The Rémy Cointreau Group's products are intrinsically tied to their *terroirs*, so it is natural that the Rémy Cointreau Group favours producers who belong to these *terroirs*, and forges long-term partnerships.

Operationally, supplier risk is managed by the Purchasing department for indirect purchasing, and jointly with the Product Development teams for direct purchasing. Rémy Cointreau is improving the security of its supplies, implementing a diversification policy to limit its dependency on suppliers, and building up strategic inventories.

The Rémy Cointreau Group enters into special partnerships with its suppliers based on ethics, trust, long-term commitment, and shared values, specifically "We believe that *Terroir* matters." Thus, in the interests of supporting all of its partners in the long term, Rémy Cointreau ensures that they share and respect its social, environmental, and ethical ambitions and commitments. Sedex supplier audits are conducted by the Purchasing department to make sure supplier operations are in compliance with the Group's expectations.

These actions are also detailed in Chapter 1.3.3.2, "Responsible Purchasing".

2.2.1.3 DEPENDENCE ON THE COGNAC BUSINESS RISK

Risk presentation

The Rémy Martin and LOUIS XIII Cognac lines are the key drivers of revenue for the Rémy Cointreau Group. Rémy Martin and LOUIS XIII are global, iconic brands from the best *terroirs* in the Cognac region, with a loyal customer base across its different European, American, and Asian markets.

Potential impact on the Group

The Rémy Cointreau Group is heavily dependent on the good health of its Cognac brands, whether:

- in the ***eaux-de-vies***, with a limited, highly sought-after output of Grande and Petite Champagne, dependent on a specific *terroir*;
- in the consumption of its products in its principal markets, where a severe decline would have a significant impact on the Group's earnings;
- in the reputation of its Cognac brands with their customer bases, and their loyalty to their values of authenticity, know-how, and quality.

Hence, an inability to obtain supplies of *eaux-de-vie* de Cognac, specifically Grande Champagne; major damage to the image capital of the Rémy Martin and LOUIS XIII brands; or a loss of customers on the principal markets, would be harmful to the Rémy Cointreau Group. Given the importance of our Cognac to our overall success, a substantial or sustained decline in the volume or sale price of our Rémy Martin or LOUIS XIII cognacs would have a negative effect on our financial results. Furthermore, if we do not succeed in our efforts to maintain or enhance the relevance of the Rémy Martin and LOUIS XIII brands with our current and future customers, our sales and operational earnings could suffer.

Management and measures implemented

Aware of this risk, the Rémy Cointreau Group has established the following measures:

- *eaux-de-vie*: The Rémy Cointreau Group, through its subsidiary Domaines Rémy Cointreau, owns Petite and Grande Champagne vines and has a policy of actively acquiring land for vines.
  Additionally, its active policy of long-term commitment with wine growers and distillers secures its sourcing for the years to come;
- diversification of supply across markets, and the variety of the Rémy Martin line and the LOUIS XIII limited editions, serve to both attract and retain customers looking for rare and authentic products, and to spread the risk across the different markets, where, for instance, China is loyal to Club and LOUIS XIII, while the US prizes VSOP and 1738;
- this creates a more balanced distribution of its net sales among the three principal markets of Europe, the United States, and China.

2.2.1.4 GOVERNANCE AND SHAREHOLDING RISK

Risk presentation

As a family-owned, listed company, Rémy Cointreau is sensitive to the management of its governance, be it through:

- the involvement of its shareholding family in its management, the potential divestment of which could change the Group's profile;
- the capital investment of an activist fund; or
- a potential takeover bid that could have a definite impact on the continuity of the Group's strategy.

Potential impact on the Group

The Group's strategy is based on a long-term development outlook, as indicated by its values (*Terroir*, People, and Time). Any change in shareholding could alter the long-term strategy or the product portfolio.

Finally, over-involvement of the shareholding family could disrupt the Group's governance.

Management and measures implemented

The Hériard-Dubreuil family, a historic shareholder in the Rémy Cointreau Group, reasserts and demonstrates its attachment to the Group and its involvement over the long term. These brands serve to reinforce the permanence of the strategy as defined and established by the Group, and ensure stable shareholding.

Additionally, the bonds between the Rémy Cointreau Group and Andromède, a company of the Hériard-Dubreuil family, are defined and framed in a service provision agreement. Under this agreement, Andromède provides Rémy Cointreau with support services in strategy and finance management, institutional and commercial relations, development and external growth, and the organisation and oversight of senior management. This agreement was approved for an open-ended term from 1 April 2015.

2.2.2 Operational and industrial risks

2.2.2.1 IT & DIGITAL RISKS

Risk presentation

IT risks consist of data loss (both commercial and financial), the inability to operate effectively due to a technical fault, system intrusion or hacking and attacks against the digital platforms of the Rémy Cointreau Group.

This complete or partial unavailability may be the result of external attacks such as malware or ransomware targeting both production and support IT, as well as digital platforms and CRM.

Potential impact on the Group

The Rémy Cointreau Group's processes are based on the extensive use of IT systems. As such, they are exposed to the risk of failure of the Group's IT systems and the network infrastructure used. The processes concerned could be significantly interrupted or sensitive data could be lost or corrupted if these systems were to become totally or partially unavailable.

Management and measures implemented

To guard against these risks, a data protection and backup plan and business continuity plan have been implemented in each company, allowing the Group to continue operating in all circumstances.

Lastly, Rémy Cointreau uses the latest technology designed to protect its network and servers, manage access to the different systems, and prevent hacking. Training is provided internally to raise the awareness of all Rémy Cointreau employees to these different threats.

2.2.2.2 RISK OF LOSS OF KEY ASSETS

Risk presentation

Our brands, our employees, our sites, and our inventories comprise our main assets. All our brands are distilled, aged and bottled in unique sites that are specific to each.

The Rémy Cointreau Group is particularly sensitive to any event that could threaten one of our brands, jeopardise the health of our employees, or result in the loss of our assets, be they our buildings or our inventories.

Potential impact on the Group

Because our cognacs, whiskies and rum are aged for long periods, we maintain an important inventory of products that are aged and reach maturity in our various cellars, located on different sites specific to each brand. The loss of a high volume of aged inventories – due to fire, another natural or human-made disaster, contamination, or other cause – could considerably reduce supply of the product(s) in question. A consequence of these disruptions, or other breaks in the supply chain, could prevent us from meeting customer demand for the products in question for a period of time. Furthermore, any insurance claim might not be sufficient to cover the replacement value of our inventory of products reaching maturity or other assets, should they be lost. Disaster recovery plans might not prevent a disruption in operations, and rebuilding damaged facilities could take considerable time.

Any loss impacting our employees could be a factor in the loss of skills and disrupt our production over a shorter or longer period.

Management and measures implemented

To manage this risk, the Rémy Cointreau Group has established a set of measures, carried out jointly by the Operations department and the Insurance department.

Preventive measures have been defined and put in place. They undergo regular external audits, specifically by our brokers' and insurers' prevention engineers. These preventive measures include facilities design and maintenance, team training and formalised operating procedures.

Rémy Cointreau has also established protection and control systems to control the quality of its products and limit the potential risk of product contamination.

Lastly, to ensure the safety of its employees, Rémy Cointreau has enhanced personal safety measures on its sites and formed a partnership with an international security expert to cover its employees during business travel. In addition, the purpose of the Group Talent department is to identify rare skills and prepare succession plans. At present, a succession plan is in place for each of the key positions.

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2.2.2.3 PRODUCT QUALITY RISK

Risk presentation

Rémy Cointreau brands are known and recognised for their excellence. The high-end quality of Rémy Cointreau's spirits is due to the raw materials used (both for the liquid product itself and the bottles and packaging), the expertise of its craftsmen and winemakers, and respect for the local region or *terroir*.

Potential impact on the Group

Any deterioration in product quality, taste or presentation (bottles, packaging) could have a significant adverse effect on clients, and deter them from buying the Group's products and brands in future. Similarly, any severe defects in the liquid product could endanger the health of consumers and permanently affect the reputation of the Rémy Cointreau Group and its brands.

Management and measures implemented

To minimise this risk, the Group has introduced various measures and has undertaken to abide by strict principles. These include respect for the local region and the production and fabrication process of the Group's spirits, as well as selecting the best ingredients and craftsmanship.

The introduction of strict quality control at all stages of the production and distribution process also ensures that customers are guaranteed a unique experience when enjoying the Group's products.

The Group has also put in place a training programme to identify and respond appropriately to the needs of each member of staff. As a result, each Group employee has the necessary expertise and know-how to achieve the level of excellence required by the Group. Finally, because its products are traceable, the Group is able to immediately withdraw from the distribution network any bottles that could be affected by a quality issue.

2.2.2.4 TALENT MANAGEMENT RISKS

Risk presentation	Management and measures implemented
The reputation and success of Rémy Cointreau are built on the know-how of its cellar masters and its teams. Attracting, developing, and retaining top talent while allowing certain rare or in-demand skills to be passed on is an ongoing challenge. **Potential impact on the Group** Any loss in talent or know-how, or an inability to attract or find new talent, would have implications for the sustainability of certain kinds of expertise, as well as for the well-being of our teams (loss of motivation, weaker investment in projects) and therefore on the Rémy Cointreau Group's ability to achieve its goals.	As part of managing this risk, the Rémy Cointreau Group and its Human Resources department have set up several measures: • a training plan offers employees various programs in products (Brand Academy), support functions (finance or marketing), and guidance of employees' personal and professional development; • in addition, the Talent department has the sensitive missions of attracting new talent but also identifying and fostering talent within the Group; • internal and external mobility is promoted, giving employees the option of developing in another function, so as to retain them; • as part of its well-being at work policy, teleworking (both regular and occasional) has been set up and is widely promoted; • as a family-owned group, Rémy Cointreau wants to retain its employees and involve them in the Company over the long term. For this reason the Group has established various measures: incentives, profit-sharing and supplementary pension schemes.

2.2.2.5 PERSONAL SAFETY RISKS

Risk presentation	Management and measures implemented
The Rémy Cointreau Group is intent on respecting personal safety regulations, but also vigilant about respecting human rights, fundamental freedoms, and the safety and health of people – both its employees and its customers. The factors identified by the Rémy Cointreau Group that may jeopardise the safety of its employees and customers include: • occupational illness or psycho-social risks; • the risk of accidents during travel in some markets; • the risks associated with using certain machines; • the risks associated with excessive consumption of spirits. **Potential impact on the Group** Any harm to the health and safety of its employees and customers would have significant consequences for the Rémy Cointreau Group, whether: • reputational, related to the fallout from an accident; • loss of employee motivation; or • legal, due to litigation having substantial financial consequences.	Rémy Cointreau has always been committed to safety procedures for its employees and to reducing the number of workplace accidents. All of the Group's sites, both production and distribution, undergo independent audits resulting in action plans that are reviewed each year. Likewise, our insurers are closely involved in these measures in order to assess their effectiveness. In addition, Rémy Cointreau has taken out a contract with an international traveller safety expert to ensure its employees' safety during business travel. Employees are routinely instructed on the importance of responsible consumption, through training programmes, seminars, and strict rules for our employees in contact with points of sale.

2.2.3 Market risks

2.2.3.1 CRISIS MANAGEMENT AND BUSINESS CONTINUITY

Risk presentation

The Rémy Cointreau Group, through its presence on numerous markets and the inventories related to its production process, is exposed to risks of various kinds (health, natural disasters, industrial disasters, economic, etc.) that may impact the Group's business and its ability to recover.

Potential impact on the Group

A natural disaster causing the destruction of the production sites, a global health crisis, such as a long-lasting pandemic, an economic crisis, such as a closure of all borders impacting global activity, or any other event disrupting the activity could have impacts on the sales of the group. In addition, poor preparation of the group would delay its ability to resume activity quickly and efficiently.

For example, the Covid-19 global pandemic has resulted in a total shutdown of the Rémy Cointreau Group's business – both at the production sites, which have been closed for several weeks, and in sales, because on-trade and off-trade points of sale have been closed for several months depending on the various markets.

Management and measures implemented

The Rémy Cointreau Group has a long-term vision, as indicated by its value "Time".

As such, the safety of all of the Group's assets: human, tangible, intangible, and know-how, is one of the top priorities.

The Group has created a Crisis Management Handbook, which is distributed to all entities. This manual sets out clearly how to manage a crisis, regardless of its type.

In addition, business continuity plans have been defined for each site. These plans are shared with the local authorities when necessary (like the Cognac site, a SEVESO II-classified zone) and with our insurance partners.

Following each event, the Group conducts a feedback exercise to identify what might have been managed more effectively and include those lessons in the Crisis Management Handbook. In this way, the Rémy Cointreau Group will carry out this feedback exercise following the Covid-19 crisis.

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2.2.3.2 MARKET AND GEOPOLITICAL RISK

Risk presentation

By virtue of its international presence, the Rémy Cointreau Group is sensitive to market developments, protectionist tensions, potential trade wars, even the consequences of terrorist acts.

The Brexit situation, since the United Kingdom is one of the Group's principal markets in Europe, as well as a producer country; the tensions and risks of the US-China trade war; and popular uprisings in France and Hong Kong alike, are all events creating a degree of instability.

Potential impact on the Group

The impacts of these developments and trade tensions may include:
- restricted access to certain markets for some of our products;
- a significant increase in customs duties.
- a fall in sales

Management and measures implemented

In the context of its risk control policy, the Rémy Cointreau Group has set out to diversify its risk exposure through:
- better distribution of its business among its different markets (United States, Europe, Asia, China, and Africa);
- diversification of its spirits line, developing "limited editions" and highlighting its products' upgrade toward the high-end;
- development of new distribution channels (brand boutiques, e-commerce, and direct sales).

2.2.3.3 LIQUIDITY, TAX, AND CURRENCY RISK

Risk presentation

The Rémy Cointreau Group's results are sensitive to fluctuations in exchange rates, as the Group realises about 80% of its net sales in currencies other than the euro, whereas most of the production is within the euro zone.

The majority of the Group's activities are characterised by high levels of capital employed, particularly inventories undergoing ageing, which involves substantial financing requirements over the long term.

Finally, due to its international presence, the Rémy Cointreau Group is exposed to financial risks linked to the development, complexity, and interpretation of tax regulations in the countries in which it operates.

Potential impact on the Group

Unfavourable currency fluctuations can generate financial losses.

Any increase in the Group's financing structure might negatively impact the Group's earnings as well as its ability to finance itself over the long term.

The changes in tax regulations and the increasing burden of direct and indirect taxation on spirits in particular (excise duties, customs duties, etc.) could negatively affect the Group's earnings.

Management and measures implemented

The currency risk is hedged so as to minimise and anticipate the impact of currency fluctuations on the Rémy Cointreau Group's earnings.

The Group's foreign exchange policy is founded on the following management principles:

- distribution subsidiaries are billed in their own currency, based on an annual exchange rate set in euro;
- the currency risk is hedged by Financière Rémy Cointreau on a yearly basis, calculated on the Group's net positions;
- no speculation is authorised;
- these hedges are performed with firm and/or optional currency transactions eligible for hedge accounting;
- other non-operating transactions are hedged against the currency risk once their commitment is firm and final. These include financial risks generated by intra-Group loan transactions and dividends in foreign currencies.

Rémy Cointreau continuously monitors the balance of its financial structure, prioritises long-term resources and combines fixed-rate and variable-rate resources. Refinancing is systematically prepared for those resources reaching maturity. The Group obtains its financing from leading financial institutions.

The availability of some financing is contingent upon the level of the so-called A ratio (Average net debt/EBITDA), which is calculated twice per year and must be below 3.50 for the bond private placement and less than 4.0 for the new syndicated credit.

The Group has introduced forecasting procedures in relation to net debt and other key indicators such as cash generation and ROCE (return on capital employed) which involve all divisions in the optimisation of the financial structure of activities and compliance with the A ratio.

Lastly, the Rémy Cointreau Group keeps a regulatory watch and sets its tax policy by relying on a team of tax specialists that reports to the Finance department. The Group is committed to following all tax regulations in the countries in which it operates; its tax policy is not based on any tax-evasion scheme and is compliant with the principles laid down by the OECD.

2.2.3.4 RISKS ASSOCIATED WITH INNOVATION AND CHANGING CUSTOMER TASTES

Risk presentation

Consumer preferences and spending habits could change for a whole host of reasons, for example because of the economic climate, demographic and social trends, public health initiatives and policies, laws on alcoholic beverages and changes in consumer spending on travel, leisure, food and drink, recreation and going out.

Likewise, any inability of the Group to innovate by presenting products that meet customers' new expectations would be liable to generate this risk.

Potential impact on the Group

Rémy Cointreau's brand portfolio includes 12 prestigious brands of spirits, cognac, and whisky, the main one being Rémy Martin. A change in consumer tastes and a decline in the popularity of cognac or other alcohols would have a significant impact on the Group's net sales and its ability to maintain its current distribution network.

Management and measures implemented

Rémy Cointreau continues to diversify its brand portfolio and develop its product range in order to limit its exposure to a particular brand.

Through development, both in terms of markets and product lines, for Metaxa, Mount Gay rum (renewal of the product line, notably XO and Black Barrel), The Botanist gin, and the whisky family (not only Bruichladdich, Port Charlotte, and Octomore, but also Domaine des Hautes Glaces and Westland), the Group is responding to changes in consumer tastes and staying at the forefront of new trends in consumption.

Strategic monitoring and product innovation are key elements of the growth strategy, as a means of responding to customers' demand for new products.

2.2.3.5 FRAUD RISK

Risk presentation

Rémy Cointreau distributes its products in the principal markets of the globe and has an excellent reputation and very strong brand recognition. In this environment, Rémy Cointreau is a prime target for numerous fraud attempts. These attempts target either Rémy Cointreau in France or its foreign subsidiaries.

Attempted fraud can come in many forms:

- external fraud, in various forms, be it impersonation scams involving the President of the Company, supplier impersonations or cyber-attacks either with the aim of stealing confidential data or extortion attempts using ransomware;
- internal fraud by an employee, through theft or collusion with a third party.

Potential impact on the Group

No matter what form the fraud takes (theft, cyber-extortion, embezzlement), it can result in financial losses that are:

- direct, through the fraud perpetrated;
- indirect, through the costs of managing the fraud (consulting fees and legal fees).

Or the theft of confidential information or personal data.

In addition to the financial aspect, the reputational aspect should also be taken into account when assessing potential impact.

Management and measures implemented

Aware of the growing risk, Rémy Cointreau has implemented a range of measures and checks. These include:

- raising awareness and training teams for these risks;
- strengthening key procedures;
- improving cooperation with partner banks in the securing of transactions;
- deploying specific IT tools against "cyber" risks.

More specifically, concerning the risk of "internal" fraud, Rémy Cointreau counts on the professionalism and strong feeling of belonging of its employees within the Group to limit the said risk. Nevertheless, to better control this risk, Rémy Cointreau is also working to improve the principles of the separation of tasks and validation as well as regularly making its employees aware of its Ethics Charter. Specific training has been organised on these different topics.

Although these measures cannot fully eliminate the risk of fraud, they do provide reasonable protection.

2.2.3.6 DEPENDENCY RISK RELATED TO OUR PARTNERS' CONCENTRATION

Risk presentation

The Wines & Spirits industry is highly competitive and fragmented. There is a tendency toward concentration among players in distribution and production alike that may impact Rémy Cointreau in a lasting way, creating a situation of dependency that could be harmful to Rémy Cointreau. It may also create pressure on Rémy Cointreau's prices and thus its margins.

Potential impact on the Group

Industry concentration could have an adverse effect on Rémy Cointreau's ability first to distribute its brands in all of its markets and second to maintain its margin:

- concentration among key players and competitors risks marginalising Rémy Cointreau. There is also a risk of it lacking the sufficient critical size to be able to negotiate with the desired partners: key locations in major cities and trend setters;
- concentration in the distribution sector could also have a negative impact on Rémy Cointreau's ability not only to distribute its brands in all markets, but also to maintain a sufficient margin due to the increased bargaining powers of distributors. This also entails the risk of our products being delisted with our partners, either temporarily or permanently.

Management and measures implemented

To protect itself from these risks, the Rémy Cointreau Group is continuing to develop its upmarket strategy. This gives it a unique position within the spirits sector and a presence among leading retailers. In addition, the launch of special projects in partnership with celebrated mixologists strengthens the link between Rémy Cointreau, its brands and big-name establishments.

The Group is careful never to be legally dependent on third parties in a way which could significantly affect its industrial or commercial operations. The scope of its various contractual commitments complies with international business practices:

- there is no dependence by Rémy Cointreau on customers or exclusive independent distributors, or third-party spirits distribution contracts likely to have a substantial impact on the results, net assets or financial position of the Group;
- in general, contracts signed by Group companies become a part of the Company's ordinary operations and adhere to commitments in line with international business practices;
- no contracts involving obligations or commitments of particular significance for the Group as a whole were concluded with third parties by any Group company;
- similarly, with regard to suppliers, there is no dependency on a key supplier. More specifically, supplies of cognac *eau-de-vie* are the subject of long-term commitments, thereby reducing the supply risks.

Moreover, Rémy Cointreau continues to invest in and develop its own distribution network, guaranteeing its independence and ability to be present in all of its markets. Lastly, as part of its development strategy, Rémy Cointreau is strengthening its ties to its customers with an ambitious CRM strategy, the opening of propriety stores and the organisation of dedicated events.

2.2.4 Ethical and regulatory risks

2.2.4.1 ETHICS AND COMPLIANCE RISKS

Risk presentation	Management and measures implemented
The Group has a global business and is therefore subject to a raft of laws and regulations, including various regulations on anti-corruption (FCPA in the USA, UKBA in the United Kingdom, Sapin II Act, etc.) and data protection (GDPR, CCPA in California, etc.), as well as the principles enshrined in the Global Compact. **Potential impact on the Group** The risk that the Group fails to comply with one of these regulations, or that one of its employees does not follow the rules contained in the Group Ethics and Anti-Corruption Charter and in doing so exposes the Group to various sanctions. The impacts of these sanctions may be numerous: financial, reputational, psychological for our employees, and even the loss of our appeal to job seekers.	To ensure compliance, the Group has put in place the appropriate action plans (as described in section 2.4 “Ethics and Compliance”). To prevent corruption, the Group has distributed an Ethics and Anti-Corruption Charter to all its employees. It has also provided appropriate training modules, and set up a whistleblowing hotline available to all employees and individuals outside the Group. To date, five whistleblowing reports have been received and dealt with. The Group has also introduced a due diligence process for third parties. Regarding data protection, the Group is pursuing its plan for compliance with GDPR, as well as with the various foreign regulations that govern its operations (particularly in China, in the US with the CCPA, and in Russia). The compliance plan is based as much on data protection policies as on internal data management procedures, the use of standard contractual clauses, and lastly, appropriate training for all members of staff. Moreover, permanent monitoring is being carried out to prepare for new regulations.

2.2.4.2 LEGAL AND REGULATORY RISKS

Risk presentation	Management and measures implemented
The Rémy Cointreau Group has a global presence and, as such, is subject to a legal framework that is constantly changing and specific to each market. For example, the production and sales operations of Group products are subject to regulations in France and abroad, which vary depending on each country, particularly with respect to the production, packaging, marketing and advertising of these products, as well as public health, product recall, labelling, and promotions. Moreover, the Rémy Cointreau Group attaches particular importance to the legal protection of its assets and of its trade relations in France and around the world. This also involves: • its intellectual property rights, particularly of its brands, which are a major asset in its business; • its distribution contracts; • its supplier relationships; • litigation with customers or government authorities. **Potential impact on the Group** These regulations and their developments can have a strong impact on the Group's ability to do business: • advertising and promotion: To amend consumer behaviours and reduce alcohol consumption, the various authorities may impose restrictions or even limit alcohol advertising. An example of this is the Evin law in France. A limited campaign would hinder Rémy Cointreau in its efforts to introduce its brands and retain customers; • labelling: In addition to the restrictions of the legal notices, strong labelling, similar to that carried out in the tobacco industry, could drive customers away from spirits, thereby reducing sales; • distribution channels: Regulatory changes in distribution (*e.g.* a prohibition policy or regulated distribution like the US Three-Tier System) could restrict Rémy Cointreau's ability to distribute its products or conduct promotional campaigns; • brand protection: The brands of the Rémy Cointreau Group could be imitated, counterfeited or registered by third parties in violation of its property rights. The Group could then encounter difficulties in maintaining the presence of its brands in certain countries or reassuring consumers who might be misled into thinking that they are buying the Group's products; • contracts: A lack of contract formalisation in its trade relationships, with suppliers and customers alike; • litigation: Any major litigation could have significant consequences on the Group (financial, reputational) or its brands and products.	In order to have an influence on these regulations and their developments, the Rémy Cointreau Group belongs to many professional groups so that it can promote its positions and its interests both with other industry players and with administrative authorities. An integrated Legal department, organised by brand groups but operating in a cross-group partnership, permanently manages the Group's legal affairs. It carries out preventative checks on all the legal risks, both internal and external, that may adversely affect the achievement of the Group's objectives. If necessary, the team can request the assistance of international lawyers recognised for their expertise in specific areas of business law. The Legal department strives to only initiate litigation if all possibilities of reaching out-of-court settlements have proved unsuccessful. Thus to defend its interests, Rémy Cointreau takes a position on these risk factors, in particular: • advertising, by committing to responsible campaigns that do not target "young and at-risk" customers, and working to make sure sensible advertising of spirits is always a reality; • labelling: Rémy Cointreau creates education and awareness actions for its customers on the dangers of excessive consumption and works with the different authorities to design labelling; • brand protection: Rémy Cointreau has an active policy of monitoring its trademark and domain name registration, in each category and market, either directly, using in-house legal specialists to implement modern brand management practices, or through world-renowned intellectual property advisers; • counterfeiting: Rémy Cointreau takes every action necessary to tackle both counterfeiting, particularly in Asia and Eastern Europe, and unfair competition, whenever it considers that a trademark application infringes its property rights. Since 2006, Rémy Cointreau has significantly developed its internal resources in the fight against counterfeiting, notably with the appointment of a co-coordinator who works closely with the various lawyers responsible for the Group's brands. The co-coordinator in the fight against counterfeiting firstly ensures the follow up of the report on any counterfeiting of the Group's brands, together with professional bodies, distributors, Sales departments, customs authorities, government expert agencies. He/she then reports this information, having verified its reliability, shares the best anti-counterfeiting practices with other major wines and spirits groups and ensures the consistency of the steps to be taken by the lawyers and other internal players concerned. • litigation management: In the event of procedures relating to trademark law, the protection of intellectual property rights, the protection of its distribution network, relations with employees and the control of its tax declarations and all other matters inherent in its activities, Remy Cointreau calls on the services of first-rate lawyers in order to build defense and provision, when necessary, the amounts related to these risks and litigation.

2.2.5 CSR risks

2.2.5.1 CLIMATE RISK

Risk presentation	Management and measures implemented
The Rémy Cointreau Group's spirits are produced on their own specific *terroirs*. These are subject to seasonal vagaries such as drought, hail, and frost, as well as longer-term climate changes like global warming. **Potential impact on the Group** Depending on their type, weather events can have various impacts: • seasonal climatic hazards: A strong climatic hazard like heavy frost, hailstorm, overly dry summer, or lack of precipitation can impact the production of the raw materials the Group needs for production. Whether a sharp drop in yield or greatly diminished harvest quality, these would inevitably have an impact on net sales for the financial year; • climate change: This long-term phenomenon can have a major impact on the Group's activity. Indeed, a substantial change, specifically warming, may change the crop map, impacting the product-*terroir* link that is a building block in the identity of the Rémy Cointreau Group's products.	Rémy Cointreau Group is committed to an active environmental conservation and protection policy in order to minimize its impact. Moreover, Rémy Cointreau Group operates a dynamic management of its supplies, enabling it to minimise the climatic hazards on its harvests. The financial impact of risks related to climatic hazards are detailed in Chapter 1. Rémy Cointreau Group is also involved in the security of its premises, by taking into account the risks associated with climatic hazards when choosing the location and design of its premises. Lastly, as part of its insurance policy, as described in Chapter 2.3 "Insurance", the Rémy Cointreau Group has subscribed adequate insurances to cover the impact of climatic hazards, both for the production of raw materials (multi-risk climate insurance) and buildings (property damage and natural disaster insurance).

2.2.5.2 ENVIRONMENTAL RISKS

Risk presentation	Management and measures implemented
Working with natural products, Rémy Cointreau is particularly mindful of the issue of environmental protection, as well as the safety of its employees and production sites. **Potential impact on the Group** Any incident affecting the areas in which the vital ingredients for the Group's products are grown – be it cognac vines for cognac *eaux-de-vie*, barley and herbs on Islay for Bruichladdich whisky and The Botanist gin, Barbados sugar cane for Mount Gay rum, or orange peel for Cointreau – would have implications for the Group's ability not only to manufacture its products, but to guarantee their quality. The same applies to the Group's industrial sites, the safety of its employees and the distillation, bottling and shipping process.	The management of industrial and environmental risks, as well as product related risks, is principally handled by the Quality/Safety/Environment departments working at each Group site, under the ultimate responsibility of the Group Operations Manager. Safety/Environment audits are carried out at production sites by personnel and certified external auditors, leading to action plans which are monitored by quarterly Committee meetings. • Due to the Group's activities, its main production sites in France are subject to local authority licensing. The Cognac site is classified as Seveso high threshold on account of the quantities of *eaux-de-vie* stored there. The site is subject to a comprehensive Safety Management System (SMS). • The Cognac and Angers sites are ISO 14001 certified. This certification is validated by annual follow-up audits. These audits did not reveal any anomalies. Indicators used by ISO 14001 certification have also been rolled out to other Group sites. • The Mount Gay Distillery bottling site is ISO 9000 certified. In general, regulatory compliance of sites is an ongoing concern and close relationships are maintained with all the administrations involved. In addition, significant training is provided to the employees and to external providers who work on the sites. In terms of product risks, the Group refers to the HACCP standard (Hazard Analysis of Critical Control Point), an international method for implementing a system that guarantees the hygiene of food designated for consumers, as well as the internationally recognised ISO 22000 standard for certification of production sites' HACCP plans. This risk is also covered in Chapter 1.

2.2.5.3 RISKS ASSOCIATED WITH RESPONSIBLE CONSUMPTION

Risk presentation	Management and measures implemented
The Rémy Cointreau Group endeavours to meet its responsibilities to society. As such, it is keenly aware of its responsibilities with respect to public health. Just as it cares about the quality of its products, it also cares about promoting moderate consumption of its products. **Potential impact on the Group** Any negative effect on the health of its employees by excessive consumption of its products or of alcohol in general may result in: • stricter regulations on alcohol consumption; • litigation brought against the Group by employees or customers; • damage to the reputation of the Group and its brands.	Rémy Cointreau remains involved, together with the industry's major companies and professional associations, in the main joint projects to encourage responsible alcohol consumption across its principal markets. The premiumisation strategy that is a feature of all of the Group's Houses is also very consistent with the pursuit of higher-quality consumption and the aim of reducing risky consumption. Internally, Rémy Cointreau routinely raises employee awareness of the importance of responsible consumption through training and targeted messaging. These actions are detailed in the section on responsible consumption in the CSR report, Chapter 1.

2.3 Insurance

Within the framework of the risk control policy, andin particular those presented in the preceding paragraphs 2.2.1"Strategicc risks", 2.2.2 "Operational and industrial risks", 2.2.3"Market risks", 2.2.4 "Ethical and regulatory risks"and 2.2.5 “CSR risks”, the Rémy Cointreau group has set up a dynamic policy of insurance coverage of its risks through a coordinated and centralized global approach to insurance programs. This is based in particular on:

- insurable risk identification procedures.

  Rémy Cointreau Group conducts an annual risk mapping for its different entities, with the results shared with the Audit, Insurance and Compliance department, and more specifically, the Head of Group Insurance;
- the implementation of relevant, adapted insurance policies.

  The Rémy Cointreau Group has opted for the financial transfer of its risks to the insurance market based on its prevention policy;
- prevention and protection audits for people and industrial assets.

  Still as part of its risk management policy, Rémy Cointreau Group has implemented an active risk prevention approach, notably for risks associated with safety and protection of goods and individuals. This approach is based on regular audits of the different sites of the Houses of Rémy Cointreau by specialist engineers and by training, to allow the employees managing these sites to adopt a continuous improvement process.

The main insurance policies are integrated under international insurance programs covering strategic risks such as general civil liability, withdrawal of delivered products, damage to property and consequent operating losses and transport of goods. Local insurance policies can be subscribed to meet regulatory requirements and the specific needs of the subsidiaries (*e.g.* vineyard insurance, auto fleets, etc.).

Insurance type	Coverage and limits of the various policies subscribed
Property damage and business interruption	This coverage is presented as “All Risks Except”. **Basis for compensation** • Replacement value for movable or immovable assets. • Wine and spirits: Market replacement value and net book value based on type of inventories. • Operating losses with a compensation period of 24 months. **Contractual claim limit** A principal contractual claim limit of €700 M was negotiated for property damage and business interruption combined.
General liability (operations and products)	This policy covers the Rémy Cointreau Group for all physical, material and immaterial damage caused to third parties for €100 M.
Contamination and brand image	This plan is supplemental to the general liability coverage subscribed and covers the product cost, the costs of restoring the brand image, operating losses, and the contamination and any deterioration of the product. Coverage of €15 M per policy year.
General liability – Environmental damage	Coverage of €10 M per policy year.
Transport	Coverage of €10 M per claim.
General liability – corporate officers	Coverage of €50 M per policy year.
Fraud and cyber	Coverage of €15 M per policy year.
Credit	Coverage of each customer’s outstanding balance, up to a limit set per customer by the insurer.

2.4 Ethics and compliance

2.4.1 Commitments

The Rémy Cointreau Group's ethical approach is based on the universal framework of overarching international principles, standards and agreements and governed primarily by:

- the Universal Declaration on Human Rights;
- the International Labour Organisation's Charter of Fundamental Rights, which covers in particular the freedom of association, forced labour, child labour and discrimination;
- sustainable development goals as established by the United Nations;
- the Ten Principles of the Global Compact to which Rémy Cointreau has subscribed since 2003;
- the European Union Charter of Fundamental Rights;
- the principles established by the GRI;
- the OECD's guiding principles;
- the OECD's Convention on Combating Bribery of Public Officials.

The Rémy Cointreau Group and its employees are committed to comply with the applicable laws and regulations in all countries where they present and operate an activity.

These principles are explicitly covered in the Group's code of business ethics and the Ethics and Anti-corruption code of conduct, which are available on the Group intranet and are circulated to all employees.

CODE OF BUSINESS ETHICS

The Group's values are formally set out in a code of business ethics, which is signed by the Chairman of the Board of Directors and the Chief Executive Officer and circulated to all employees, as well as to new employees are soon as they join the Group. It is the foundation of the culture of integrity and ethical behaviour of Rémy Cointreau Group Houses and its purpose is to provide guidance to the Rémy Cointreau Group, its Houses and its employees about how to behave and comply with the key principles governing relations between stakeholders and the Company. It also aims to promote compliance and to ensure that laws, applicable regulations and fundamental major principles are properly implemented.

The code of business ethics is also designed to encourage and motivate Rémy Cointreau Group employees to communicate and seek, both from their line managers and from the Public Affairs department, answers about how to behave in particular situations.

The code of business ethics sets out the values of the Rémy Cointreau Group and all of its Houses as well as its own ethical framework. These values, and these ethics, must inspire each of our employees in their daily activities and interactions, both internally and with the Group's partners. It sets out:

Business values and responsibilities

The values guiding Rémy Cointreau Group, its Houses and its employees in their business behaviour are:

- **compliance with the laws and regulations** in force in the countries where the Group operates, with Rémy Cointreau complying with its legal and tax obligations;
- **respect for the principle of healthy competition**, with Rémy Cointreau supporting competition based on quality, reputation, service, price and respect for its competitors. The Rémy Cointreau Group therefore conducts its business honestly, sincerely and fairly;
- **adoption of responsible communications**, since the Rémy Cointreau Group wants to ensure that its products remain a source of enjoyment to be shared during social occasions. The best means of giving sense to our values is to perpetuate a culture of responsible consumption and prevent the risks associated with excessive alcohol consumption;
- **prevention of conflicts of interests**, the women and men of the Rémy Cointreau Group work in the interests of the Group and its Houses. No employee may obtain a personal benefit, whether directly or indirectly, from their job, a sale, a purchase or any other Company activity. Employees must avoid any situation of a conflict, or situation that may be perceived as a conflict, between their duties towards Rémy Cointreau and their personal interests;
- **rejection of corruption**, Rémy Cointreau condemns corruption in all its forms, particularly extortion and bribery. The Rémy Cointreau Group believes that such behaviours are to the detriment of the countries in which it operates. The women and men of the Houses must demonstrate their integrity, particularly by refusing any gift which might contravene the Group's ethics.

Values and responsibilities towards others

Relations within the Rémy Cointreau Group are characterised by a duty of mutual respect between women and men who contribute with integrity to the corporate project and to the Company itself. Every day, the Houses of the Group undertake to respect and promote the following values: trust, acting as an example, excellence, high standards, appreciation, respect and discretion. These values are represented in the following initiatives:

- **a commitment to responsible consumption**: the Rémy Cointreau Group wants to promote, both internally and externally, the responsible consumption of its products;
- **respect for the environment**: the Rémy Cointreau Group is committed to serving its customers, while accepting its environmental responsibilities and it therefore makes protecting the environment a key area of its strategic focus;

- **commitment to its employees**: the Rémy Cointreau Group wants all of its employees to work in the best possible conditions and is committed to offering a healthy and safe workplace. The Rémy Cointreau Group is a long-term partner, supporting them in their development and fostering relationships based on trust and respect;
- **a firm commitment to the Group's clients and consumers**: the men and women in Rémy Cointreau's Houses must ensure that the Group honours its commitments towards its consumers and customers. Quality, health security, service and integrity must be their principal concerns in their daily work;
- **Rémy Cointreau Group's relations with its suppliers**: for the Rémy Cointreau Group, supplier relations is much more than a simple act of purchasing and the Group is committed to a sustainable partnership approach. Following the ratification of the Global Compact, the Group undertook to involve its suppliers in its social and environmental commitments, to ensure their involvement and to support them in improving their processes.

Employees' values and responsibilities towards the business and society

Among the values shared by the Rémy Cointreau Group and its employees, those of probity, integrity and confidentiality can be seen in the following commitments:

- **protecting the reputation of the Group and its Houses**: the women and men of the Rémy Cointreau Group represent the image and reputation of its Houses and have a responsibility to protect them;
- **relations between the Rémy Cointreau Group and its shareholders**: the women and men of the Rémy Cointreau Group have a responsibility to protect information relating to the Group's Houses. This confidential information must never be disclosed except within the strict framework of the Group's rules. The Rémy Cointreau Group also wishes to share with its shareholders, without distinction and respecting shareholder equality, its long-term strategy and values as well as the outcome of the development of the business;
- **preserving the Group's assets and resources**: the Rémy Cointreau Group is committed to developing its business and its income, protecting its assets, ensuring that governance is in line with best practice and transparently reporting on the Group's activities. The women and men of the Group's Houses must also manage the Group's assets and resources with the highest level of integrity;
- **high "*terroir*-related" standards**: this can be identified through the quality and authenticity of our products: high standards in terms of raw materials and respect for the *terroir* of origin.

ANTI-CORRUPTION CHARTER

Presentation

All employees receive the Anti-Corruption Charter, which consists of almost 40 pages and is available in four languages. It sets out the Group's guiding principles on a number of operating issues. It provides for a whistleblowing system: the "Rémy Cointreau Ethic Line". The charter is circulated to all employees as soon as they join the Group; it is signed by the Chairman of the Board of Directors and the Chief Executive Officer. In addition, this charter is supplemented by an Anti-Corruption code of conduct which summarises the main guidelines and is available for all Group employees and included in the internal regulations.

The purpose of this Anti-Corruption Charter is to raise employees' awareness about certain risks and provide them with guidelines to follow, together with a whistleblowing system. It consists of chapters setting out the rules and positions to be adopted when confronted by certain situations. This Anti-Corruption Charter may be supplemented on a local basis by other procedures. In the event of a conflict with local regulations, the latter must be followed as a matter of priority if they are more restrictive.

The charter sets out the whistleblowing mechanisms. If employees are confronted by situations that raise ethical issues, or they identify behaviours that provoke questions, the charter establishes the principle that they must raise any questions, concerns or issues. This whistleblowing process has several stages:

- the first stage of discussion is with the relevant employee's administrative or functional line management. The management's duty is to listen and to seek to resolve the issue in an objective and transparent manner;
- next, the employee has the option of contacting either, locally, the Human Resources or Finance departments or, at Rémy Cointreau's head office, the Human Resources, Legal or Audit and Compliance departments. These contacts are, of course, made with due regard to confidentiality and the applicable legal framework;
- lastly, it is possible for each employee to issue a whistleblowing alert, which may or may not be done anonymously, directly to the Group Compliance department.

This alert system is also open to Rémy Cointreau Group's partners.

Issues covered

The Anti-Corruption Charter covers the following subjects:

Corruption

Corruption and combating corruption is one of the first subjects addressed in the Anti-Corruption Charter. It clearly and explicitly states that corrupt practices are contrary to the Rémy Cointreau Group's values. It sets out the broad principles that the Group's employees must follow in conducting business, their relations with third parties, the principal regulations in relation to the issue and the potential impacts for the Group and for employees. It details a number of examples and underlines the principle of zero tolerance in the event of infringements in these areas.

Employees' non-work related activities

Employees' non-work-related activities must take place outside of the context of the Group. They cannot take advantage of belonging to the Rémy Cointreau Group and must not compete with the Group's business activities.

Benefits and gifts

The Anti-Corruption Charter sets out the rules and principles regarding gifts offered or received by the Group's employees. Although these are not prohibited, they must however be made in compliance with local regulations, the Group's ethics and procedures and in a completely transparent manner.

Money laundering and tax evasion

The Anti-Corruption Charter raises employees' awareness about the risks related to the practices of money laundering and tax evasion and explains how to react to requests that may originate from certain commercial partners. It refers to the Group's mandatory procedures on the subject and, in particular, the due diligence to be carried out in order to ensure that a commercial partner, whether current or prospective, does not involve the Group in transactions that may promote these practices or which are located in the countries that appear on the lists of France, the European Union or the United States.

Confidentiality

The Anti-Corruption Charter explains the concept of confidential information and gives examples regarding data security, good communication and specific prohibitions. Among other things, it addresses the subjects of social networks, financial information and customer data.

Conflicts of interest

The Anti-Corruption Charter describes the concept of a conflict of interest and, in particular, provides a list of conduct to avoid. It emphasises the duty of transparency and loyalty. Group employees are invited to refer to the Audit, Insurance and Compliance or Legal departments if they are confronted to a situation that may put them at risk of a conflict of interest.

Insider trading

The Anti-Corruption Charter sets out the challenges, risks and conducts to avoid in this area, in accordance with French law and rules on the subject. In particular it refers to the Rémy Cointreau Group's Stock Market Ethics Charter.

Harassment (psychological or sexual)

By reaffirming the principle of zero tolerance on the subject, the Anti-Corruption Charter sets out the features that enable identification of such issues, the Group's notification procedure (*via* the Rémy Cointreau Ethic Line), and the rules for managing cases in this area.

Use of the Group's resources

The Anti-Corruption Charter emphasises the objective of protecting the Group's resources and of using them for business purposes. It lists a number of prohibited activities (particularly those arising from the Group's IT Charter).

Echoing the code of ethics, the Anti-Corruption Charter explains in its introduction that the men and women who work for Rémy Cointreau share the Group's defining values. Their actions also take place in strict compliance with the laws and regulations that apply in the countries where the Group operates, as well as within the framework of fundamental principles such as the Universal Declaration on Human rights, ILO rules and the OECD's guiding principles.

2.4.2 Organisation

COMPLIANCE DEPARTMENT

The Compliance department, which reports to the Audit and Insurance department, which has been the Audit, Insurance and Compliance department since 1 September 2017, is responsible for identifying, assessing and managing the risks to which the Rémy Cointreau Group is exposed, and for verifying compliance with different legislation and regulations, while ensuring that compliance programmes are implemented and updated in close cooperation with the Group's different departments.

The Audit, Insurance and Compliance Director reports to the Chairman of the Board of Directors and to the Audit Committee and works in close cooperation with the Group Chief Executive Officer and the Executive Committee.

ETHICS COMMITTEE

An Ethics Committee has been created and its members are as follows:

- Audit, Insurance and Compliance Director;
- Group Compliance manager;
- Group Legal Director;
- Public Affairs Director;
- Group Human Resources Director.

The Ethics Committee meets regularly. Its particular responsibility is to define compliance frameworks and design and implement initiatives for preventing and monitoring in the areas of supplier oversight, fraud and combating corruption in all Group entities in France and abroad, in particular through carrying out awareness-raising campaigns and providing training to the most exposed employees.

In general terms, the Ethics Committee must:

- provide expertise through the analysis of regulatory and legal requirements;
- disseminate a compliance culture;
- ensure coordination and consistency;
- develop Group policies in this area.

SENSITIVE DATA COMMITTEE

A Sensitive Data Committee has been created comprising the following managers, together with the Data Protection Officer:

- Audit, Insurance and Compliance department;
- Group Compliance manager;
- Group Legal Director;
- IT Systems department.

The mission of the Sensitive Data Committee is to supervise the actions taken by the Audit, Insurance and Compliance department, in fulfilment of the requirements of European Regulation No. 2016/679 of 27 April 2016, the General Data Protection Regulation as well as other international regulations such as the CCPA in California.

DATA PROTECTION OFFICER

A Data Protection Officer has been appointed who is responsible for coordinating compliance with the General Data Protection Regulations and, more generally, to handle personal data-related issues. The Data Protection Officer is the principal point of contact for interested parties and for the authorities responsible for protecting personal data.

This function is part of the Audit, Insurance and Compliance department.

2.4.3 Implementation

CORRUPTION

Rémy Cointreau Group's values do not tolerate corruption. All Rémy Cointreau Group's employees are committed to fight against it. The Rémy Cointreau Group has a dual requirement: zero tolerance towards infringements of integrity and probity, on the one hand, and a commitment to support an ethical culture, on the other hand.

To achieve this, Rémy Cointreau is committed to comply with all of the relevant laws and principles, particularly those of the countries in which the Group produces and distributes its products. Rémy Cointreau will continue to implement a firm policy to combat any unlawful conduct. In order to comply with the requirements of law no. 2016-1691 of December 9th, 2016 on transparency, combating corruption and modernising the economy, the Rémy Cointreau Group has made the Audit, Insurance and Compliance department responsible for the fight against corruption and for implementing action plans to reinforce the strict procedures that are already in place, in accordance with the requirements of the so-called Sapin II law.

PERSONAL DATA AND RESPECT FOR PRIVACY

In order to fulfil the requirements of the European regulation No. 2016/679 of 27 April 2016, the General Data Protection Regulation, the Audit, Insurance and Compliance department was designated to conduct an assessment and prepare a compliance plan in accordance with the following issues:

- governance: roles and responsibilities involved in data protection;
- respect for people's rights: consent, information from the people concerned, exercise of their rights;
- compliant processing: processing records, identification and classification of processing activities, data retention periods, contract management;
- data security: procedures and controls, management of security breaches, impact assessments and privacy-by-design mechanisms;
- continuous improvement: monitoring, internal control, certifications.

2.4.4 Control

WHISTLEBLOWING HOTLINE

The Group has set up a Group whistleblowing system to anticipate and manage its risks, known as the "Rémy Cointreau Ethic Line". It is described in the Whistleblowing Code. This system is updated to take into account any regulatory, legislative, economic, societal, geopolitical and competitive changes.

Local whistleblowing systems are also in place within the main subsidiaries, for example, in the United States and China.

SYSTEM OF SANCTIONS INTRODUCED

The system of sanctions introduced for the compliance programmes corresponds to the system of sanctions described in the internal regulations. Any infringement of ethics and integrity is contrary to the Group's intrinsic values and to the internal rules in this area.

MONITORING THE IMPLEMENTATION OF ETHICAL VALUES

Internal and external audits of the Group's companies and of the Group's main suppliers and partners are conducted on a regular basis, focussing on the implementation of the Group's procedures. These audits primarily cover the following issues: combating corruption, protection of personal data, respect for the environment, respect for human rights and fundamental freedoms.

ETHICS ISSUES TRAINING PROGRAMME

An Ethics, Integrity and Anti-Corruption training module designed for all employees of the Rémy Cointreau Group was rolled out during the 2017/2018 financial year, particularly for the most exposed employees (sales teams liaising with intermediaries, and subsidiaries operating in countries seen as being "at risk" according to the classification established by Transparency International). Other, more targeted modules were added to this module during the financial year and will be rolled out next year.

A Data Protection training module designed to raise awareness among all Group employees and train the most exposed employees in issues connected to the various regulations on data protection issues has been developed and issued to "sensitive" employees. This module is due to be shared with all of the Group's employees over the coming financial year.

NETWORK OF COMPLIANCE OFFICERS IN THE GROUP

The legal and compliance teams located abroad, in particular in the United States, China and Switzerland, make up the network of "compliance" and "personal data protection" correspondents, working closely with the Audit, Insurance and Compliance department and the Data Protection Officer, in order to roll out, organise and coordinate compliance programmes within the Group.

Specific procedures are also incorporated in audit programmes and procedures in this area


THE CELLAR MASTER
PRODUCT OF FRANCE
RÉMY MARTIN
COGNAC FINE CHAMPAGNE
TERCET
AN INSPIRATION FROM THREE ARTISANS
THE MASTER DISTILLER

3

CORPORATE GOVERNANCE

3.1 Framework for implementing the principles of corporate governance

Pursuant to the provisions of Article L. 225-37 *et seq.* of the French Commercial Code, the developments described below form the corporate governance report.

It contains information on:

- the composition of the Board of Directors and the implementation of the principle of the balanced representation of women and men on the Board;
- the conditions of preparation and organisation of the work of the Board of Directors;
- the Corporate Governance Code by which the Company abides, the provisions that have not been applied and the reasons why;
- the principles and rules established by the Board of Directors that govern the remuneration and benefits paid to executive officers;
- the principles and criteria for the determination, distribution and allocation of fixed, variable and exceptional elements of total remuneration and benefits in kind that may be awarded to executive officers in respect of their term of office;
- the limitations that the Board of Directors has imposed on the powers of the Chief Executive Officer.

The other information is provided in the following chapters of this registration document, namely:

- financial risks relating to the effects of climate change (chapter 1);
- internal control and risk management procedures implemented by the Company (chapter 2.1);
- the items liable to have an impact in the event of a public takeover offer or an exchange within the meaning of Article L. 225-100-3 of the French Commercial Code (chapter 7);
- the table summarising the authorisations currently in force granted by the Shareholders' Meeting in respect of capital increases (chapter 7);
- the specific procedures relating to shareholders' attendance at Shareholders' Meetings (chapter 9).

This report was approved by the Board of Directors at its meeting of 3 June, 2020, after consulting the Nomination and Remuneration Committee and Audit-Finance Committee on the sections within their respective remits.

3.1.1 Governance arrangements

In September 2004, the Board of Directors adopted a system of governance that separates the positions of Chairman of the Board and Chief Executive Officer.

The purpose of this arrangement is to balance the power between these two positions and between each of them and the Board of Directors.

The appointment of Éric Vallat as Chief Executive Officer at 1 December 2019 confirmed this governance arrangement.

Only the Chief Executive Officer's resignation, for personal reasons, in 2014 resulted in the Board of Directors combining for one year, from 2 January 2014 to 27 January 2015, the roles of Chairman of the Board of Directors and Chief Executive Officer, following which the Company's historical governance arrangements resumed.

3.1.2 Declaration regarding the corporate governance system

In accordance with the provisions of Article L. 225-37-4 of the French Commercial Code, the Company declares that it abides by the AFEP/MEDEF Corporate Governance Code for Listed Companies. The version of this Code updated in January 2020 is available for consultation at Rémy Cointreau's head office in Paris and on the website www.medef.fr. In accordance with the "comply or explain" principle, a table presents the recommendations of this Code which have not been applied (see table in section 3.2.5).

3.1.3 Change in governance during the 2019/2020 financial year

On 8 July 2019, the Board of Directors took note of the resignation of Valérie Chapoulaud-Floquet from her office as Chief Executive Officer, effective 30 November 2019, which was notified in a letter delivered by hand to the Chairman of the Board of Directors.

As a result of the selection process of the Nomination and Remuneration Committee, the Board of Directors, meeting on 11 September 2019, announced the arrival of Éric Vallat as Chief Executive Officer as from 1 December 2019.

The Board of Directors considered that Mr Vallat, with his knowledge of the Group through his directorship of the House of Rémy Martin for more than four years, being at the same time a member of the Executive Committee of Rémy Cointreau, and his in-depth knowledge of the world of luxury and French craftsmanship, had all the qualities needed lead the development and steer the value strategy that will bring Rémy Cointreau new success and the achievement of its ambition: to become the leader in exceptional spirits.

At its meeting on 26 November 2019, the Board of Directors decided to appoint Éric Vallat as Chief Executive Officer of Rémy Cointreau SA, for a period of three years from 1 December 2019.

With regards to the composition of the Board of Directors:

- Marc Hériard Dubreuil, Olivier Jolivet and the Orpar, represented by Gisèle Durand, were re-elected to the Board for a three-year term by the Shareholders' Meeting of 24 July 2019;
- Hélène Dubrule and Marie-Amélie Jacquet were appointed to the Board by the Shareholders' Meeting of 24 July 2019 for a three-year term, *i.e.* until the Shareholders' Meeting held to approve the financial statements for the year ending 31 March 2022, to replace Florence Rollet and Yves Guillemot, respectively, who did not wish to be reappointed for personal reasons;
- as part of the succession plan for the representation of the main shareholder, Caroline Bois was appointed as non-voting member for a one-year term by the Board of Directors at its meeting on 24 July 2019;
- Marc Hériard Dubreuil was reappointed as Chairman of the Board of Directors for a three-year term;
- Marie-Amélie Jacquet was appointed Vice-Chairwoman of the Board of Directors for a three-year term, to replace François Hériard Dubreuil.

With regards to the composition of the committees:

- the Audit-Finance Committee remains unchanged. Guylaine Saucier was appointed Chairwoman as from 1 October 2019 by the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, to replace Jacques-Étienne de T'Serclaes, who remained a member;
- Bruno Pavlovsky was appointed Chairman by the Nomination and Remuneration Committee, to replace Yves Guillemot and Olivier Jolivet, as a member, as from 24 July 2019, with the latter also remaining a member of the Corporate Social Responsibility Committee;
- Hélène Dubrule was appointed a member of the Corporate Social Responsibility Committee, as from 24 July 2019.

3

CHANGE IN COMPOSITION OF THE BOARD OF DIRECTORS AND COMMITTEES DURING THE 2019/2020 FINANCIAL YEAR

	Departure/Expiration of term	Appointment	Re-election	Date
Board of Directors			Marc Hériard Dubreuil	Shareholders' Meeting of 24 July 2019
			Olivier Jolivet	Shareholders' Meeting of 24 July 2019
			Orpar	Shareholders' Meeting of 24 July 2019
	Florence Rollet[1]	Hélène Dubrule		Shareholders' Meeting of 24 July 2019
	Yves Guillemot[1]	Marie-Amélie Jacquet		Shareholders' Meeting of 24 July 2019
Non-voting members		Caroline Bois		Board meeting of 24 July 2019
Nomination and Remuneration Committee	Yves Guillemot[1]	Bruno Pavlovsky		Board meeting of 24 July 2019
		Olivier Jolivet		Board meeting of 24 July 2019
Corporate Social Responsibility Committee	Florence Rollet[1]	Hélène Dubrule		Board meeting of 24 July 2019

(1) Departure.

3.2 Composition of the Board of Directors

3.2.1 Members of the Board of Directors

Composition of the Board of Directors

12 Board members
2 non-voting members

6 independent Board members (excluding non-voting members)

50% independent Board members (excluding non-voting members)

Average age of Board members 60 years

Average length of service on the Board 7.7 years

50% women (excluding non-voting members)

50% men (excluding non-voting members)

2 nationalities represented

The Board's membership is organised to achieve a balance of experience, skills, independence and ethical behaviour, while respecting in overall terms the balanced representation of women and men on the Board of Directors and recognising the specific features of the shareholding of the Rémy Cointreau Group.

At 31 March 2020, the Board of Directors had 12 members plus 2 non-voting members:

OVERVIEW OF THE BOARD AT 31 MARCH 2020

	Gender	Age	Nationality	Number of shares	Independent Board member	First appointed	End of current appointment	Length of service on the Board	Member of Board committee
Mr Marc Hériard Dubreuil	M	68	French	108		07/09/2004	AG 2022	15 years and 7 months	
Mr François Hériard Dubreuil	M	71	French	124		07/09/2004	AG 2021	15 years and 7 months	AFC(1)
Ms Dominique Hériard Dubreuil	F	73	French	2,795		07/09/2004	AG 2020	15 years and 7 months	NRC(2) Chairman of CSRC(3)
Ms Hélène Dubrule	F	54	French	100	•	24/07/2019	AG 2022	8 months	CSRC(3)
Mr Emmanuel de Geuser	M	56	French	100	•	24/07/2014	AG 2020	5 years and 8 months	AFC(1)
Ms Laure Hériard Dubreuil	F	42	French	105		26/07/2011	AG 2020	8 years and 8 months	
Ms MarieAmélie Jacquet	F	42	French	12,532		24/07/2019 20/11/2018	AG 2022 24/07/2019	8 months 8 months	
Mr Olivier Jolivet	M	47	French	100	•	24/09/2013	AG 2022	6 years and 6 months	NRC(2) CSRC(3)
Mr Bruno Pavlovsky	M	57	French	100	•	29/07/2015	AG 2021	4 years and 8 months	Chairman of NRC(2)
Ms Guylaine Saucier	F	73	Canadian	100	•	24/07/2018	AG 2021	8 months	Chairman of AFC(1)

	Gender	Age	Nationality	Number of shares	Independent Board member	First appointed	End of current appointment	Length of service on the Board	Member of Board committee
Mr Jacques-Étienne de T'Serclaes	M	72	French	572	•	27/07/2006	AG 2021	13 years and 8 months	AFC(1)
Orpar SA (represented by Gisèle Durand)	F	67	French	19,542,581 1,728		26/07/2016	AG 2022	3 years and 8 months	NRC(2)
Non-voting members									
Mr Élie Hériard Dubreuil	M	42	French	519		20/11/2018	20/11/2020	1 year and 4 months	
Ms Caroline Bois	F	43	French	4,005		24/07/2019	24/07/2020	8 months	

(1) *AuditFinance Committee.*
(2) *Nomination and Remuneration Committee.*
(3) *Corporate Social Responsibility Committee.*

Brief description of the committees

Audit-Finance Committee
4 members
75% independent
Guylaine Saucier*
François Hériard Dubreuil
Emmanuel de Geuser*
Jacques-Etienne de T'Serclaes*

Nomination and Remuneration Committee
4 members
50% independent
Bruno Pavlovsky*
Dominique Hériard Dubreuil
Olivier Jolivet*
Orpar- Gisèle Durand

Corporate Social Responsibility Committee
3 members
67% independent
Dominique Hériard Dubreuil
Hélène Dubrule*
Olivier Jolivet*

** Independent Board member.*

Of these 12 Board members:

- six represent the majority shareholder, including five from the Hériard Dubreuil family (Marc Hériard Dubreuil, François Hériard Dubreuil, Dominique Hériard Dubreuil, Laure Hériard Dubreuil and Marie-Amélie Jacquet), and Orpar SA, represented by Gisèle Durand;
- six are independent Board members: Hélène Dubrule, Guylaine Saucier, Emmanuel de Geuser, Olivier Jolivet, Bruno Pavlovsky and Jacques-Étienne de T'Serclaes;

The two non-voting members, Caroline Bois and Élie Hériard Dubreuil, represent the majority shareholder.

With regards to members elected by employees, the Company complies with the provisions of Article L. 225-27-1 of the French Commercial Code in this respect since it has no employees.

The Board is renewed on an annual rolling basis, so that renewal occurs as evenly as possible and the whole Board has been renewed at the end of a three-year period.

Any member of the Board of Directors who is over 85 years of age at the beginning of a financial year is deemed to have resigned from office effective at the end of the Annual Shareholders' Meeting called to approve the financial statements for that financial year. However, his/her term of office may be renewed annually, as long as the number of Board members aged 85 or over does not exceed one-third of the number of serving members.

DIVERSITY POLICY OF THE BOARD OF DIRECTORS

Policy criteria

Experienced and complementary Board members

Competence and experience in the financial arena, the luxury goods sector and the management of large international companies are the selection criteria for Board members. The Board members come from varied backgrounds and are complementary because of their different professional experience and their skills. The presence of several members who are permanent residents in various other countries lends a welcome international and cultural dimension to the Board's work, either because they have performed a role outside of France during their career, or because they hold or have held one or more appointments in non-French companies.

The Board is careful to maintain a balance between members with historical knowledge of Rémy Cointreau and members who have joined the Board more recently.

Diversification is achieved by ensuring that the proportion of independent directors remains above the threshold of one-third recommended by the AFEP/MEDEF Code.

Balanced representation of women and men on the Board

At 31 March 2020, out of a total of 12 Board members, six women sat on the Board of Directors of Rémy Cointreau, a proportion of 50%. In addition, the Corporate Social Responsibility Committee and the Audit-Finance Committee are chaired by women.

Policy implementation

To implement this diversity policy, the Board of Directors refers to the yearly reviews of its work (for more details on the assessment of the Board of Directors, see Chapter 3.2.5).

These gradual, phased reappointments are used to plan which skills to refresh or develop according to trends in the wines & spirits industry and the Company's markets.

Implementation of the diversity policy during the 2019/2020 financial year:

- there were six women on the Board of Directors after the 2019 Shareholders' Meeting, for a percentage of women (not including non-voting members) of 50%, a rise from 41.7% in the previous financial year. Moreover, as Guylaine Saucier had been appointed as Chairman of the Audit-Finance Committee, two of the three committees of the Board of Directors are chaired by women, an increase over the previous financial year. Finally, Marie-Amélie Jacquet was appointed Vice-Chairwoman of the Board of Directors for a three-year term, to replace François Hériard Dubreuil;
- independence of the Board of Directors at 31 March 2020 was 50% (excluding non-voting members) compared to 58% for the previous financial year. This percentage nevertheless remains significant for a Group that has a majority shareholder;
- the Board of Directors' strengths in the luxury industry, specifically as it becomes more experiential and omni-channel, and the knowledge of its teams and clients have been enhanced by the appointments of Hélène Dubrule and Marie-Amélie Jacquet;
- the appointment of Caroline Bois (daughter of François Hériard Dubreuil) as a non-voting member, with the presence of Laure Hériard Dubreuil (daughter of Marc Hériard Dubreuil), Board member, Élie Hériard Dubreuil (son of Michel Hériard Dubreuil), non-voting member, and Marie-Amélie Jacquet (daughter of Dominique Hériard Dubreuil), Vice-Chairwoman, has paved the way for the generational transition of the majority shareholder, a new phase before the gradual retirement of the current generation.

Diversity policy applied to Senior management

- The Board of Directors also ensures deployment of the Group's diversity policy, specifically as regards the balanced representation of women and men on the Group Executive Committee and in positions of greater responsibility.
- At 31 March 2020, the Group Executive Committee included 1 woman. In all, just under 46% of white-collar workers are women and an action plan is in place to continue to increase the percentage of women in the 250 key positions.
- For more information about the diversity policy applied by the Group's Executive Committee and within the Group as a whole, see Chapter 1.3.1.2 of the Universal Registration Document.

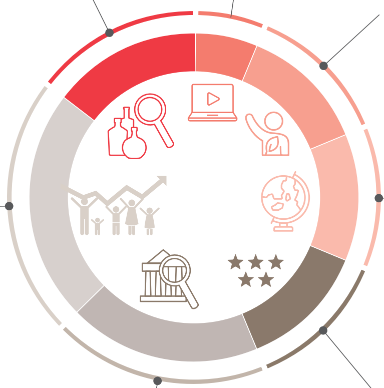
Skills map of the members of the Board of Directors at 31 March 2020

Wine & spirits expertise
Dominique Hériard Dubreuil, Laure Hériard Dubreuil, Marie-Amélie Jacquet, Caroline Bois, Marc Hériard Dubreuil, François Hériard Dubreuil and Elie Hériard Dubreuil

Digital & innovation
Hélène Dubrule, Emmanuel de Geuser, and Élie Hériard Dubreuil

Environment, social, and governance
Dominique Hériard Dubreuil, Hélène Dubrule, Guylaine Saucier, Olivier Jolivet, Bruno Pavlovsky and Elie Hériard Dubreuil

Family-owned companies listed on the stock exchange
Dominique Hériard Dubreuil, Laure Hériard Dubreuil, Marie-Amélie Jacquet, Caroline Bois, Gisèle Durand, Guylaine Saucier, Hélène Dubrule, Marc Hériard Dubreuil, François Hériard Dubreuil, Olivier Jolivet and Elie Hériard Dubreuil



International experience
Laure Hériard Dubreuil, Marie-Amélie Jacquet, Caroline Bois, Olivier Jolivet, Jacques-Étienne de T'Serclaes and Elie Hériard Dubreuil

Luxury business expertise
Dominique Hériard Dubreuil, Laure Hériard Dubreuil, Marie-Amélie Jacquet, Caroline Bois, Bruno Pavlovsky and Olivier Jolivet

Finance-audit
Gisèle Durand, Marie-Amélie Jacquet, Guylaine Saucier, Caroline Bois, Marc Hériard Dubreuil, François Hériard Dubreuil, Emmanuel de Geuser, Jacques-Étienne de T'Serclaes and Elie Hériard Dubreuil

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3.2.2 List of offices and appointments held by Board members at 31 March 2020

BOARD MEMBER PROFILES

MARC HÉRIARD DUBREUIL

CHAIRMAN OF THE BOARD OF DIRECTORS SINCE 1 OCTOBER 2017, REAPPOINTED ON 24 JULY 2019

French nationality, 68 years old.
Date first appointed: *7 September 2004.*
Date term of office expires: *Shareholders' Meeting held to approve the 2022 financial statements.*
Business address: *Andromède SAS – 21, boulevard Haussmann – 75009 Paris – France*
Holds: *108 RC shares*

Marc Hériard Dubreuil is a graduate of ESSEC and has been a corporate officer of the Company since December 1991, after starting his professional career with General Foods and Leroy Somer. He has notably been Chairman of Rémy Martin and Rémy & Associés, then Chief Executive Officer of Rémy Cointreau[1] from 1990 to 2000. He served as Chairman and Chief Executive Officer of Oeneo SA[1] from 2004 to 2014 and then as Chairman of the Board of Directors of Oeneo SA from November 2014 to October 2016.
Marc Hériard Dubreuil has been Chairman of the Board of Directors since 1 October 2017.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

Chief Executive Officer of Andromède SAS.

OTHER APPOINTMENTS OUTSTANDING

- Vice-Chairman, Deputy Chief Executive Officer and Board member of Orpar SA.
- Member of the Management Committee of Récopart SAS.
- Non-Voting Board member of Oeneo SA[1].
- Chairman of LVLF 2 SAS.
- Chairman of the Board of Directors of Webster Usa, Inc.

Appointments within the Rémy Cointreau Group

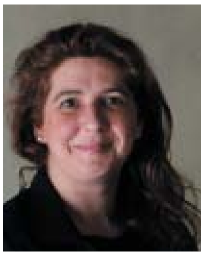
- Non-Executive Chairman of Rémy Cointreau Amérique Inc.
- Chairman of Rémy Cointreau Services SAS.
- Representative of Rémy Cointreau Services SAS, Chairman of Rémy Cointreau Libra SAS.
- Representative of Rémy Cointreau Services SAS, Chairman of Rémy Cointreau International Marketing Services SAS.
- Representative of Rémy Cointreau Services SAS, Chairman of Storeco SAS.
- Representative of Rémy Cointreau Services SAS, Board member of Financière Rémy Cointreau SA/NV.

PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

- Board member of Oeneo SA[1].
- Representative of Rémy Cointreau Services SAS, Chairman of Joint Marketing Services SAS.
- Chief Executive Officer of Andromède SA.
- Member of the Management Board of Récopart SA.
- Chairman of LVLF SAS.
- Chief Executive Officer of Oeneo SA[1].
- Chairman of the Board of Directors of Oeneo SA[1].
- Member of the Management Board of Andromède SAS.

(1) *Listed company.*



MARIE-AMÉLIE JACQUET

VICE-CHAIRWOMAN OF THE BOARD OF DIRECTORS SINCE 24 JULY 2019

French nationality, 42 years old.
Date first appointed: *24 July, 2019.*
Date term of office expires: *Shareholders' Meeting held to approve the 2022 financial statements.*
Business address: *Andromède SAS – 21, boulevard Haussmann – 75009 Paris – France*
Holds: *12,532 RC shares*

After graduating in international finance from ESCP-EAP, Marie-Amélie Jacquet began her career with Société Générale Investment Banking in London. She then joined NM Rothschild & Sons, where she served in various roles within the Capital Goods team in the Mergers/Acquisitions department. Following this, she held management control positions at Rémy Cointreau[(1)].

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

Deputy Chief Executive Officer of Andromède SAS.

OTHER APPOINTMENTS OUTSTANDING

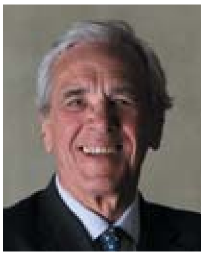
- Vice-Chairwoman and member of the Board of Directors of Oeneo SA[(1)].
- Member of the Audit Committee of Oeneo SA[(1)].
- Chief Executive Officer of Aleteia 2 SAS.
- Chairwoman and Board member of Mount Gay Distilleries Ltd.

PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

- Member of the Supervisory Board of Andromède SAS.
- Member of the Management Board of Andromède SAS.
- Non-Voting Member of the Board of Directors of Rémy Cointreau[(1)].

(1) *Listed company.*



FRANÇOIS HÉRIARD DUBREUIL

French nationality, 71 years old.
Date first appointed: *7 September 2004.*
Date term of office expires: *Shareholders' Meeting held to approve the 2021 financial statements.*
Business address: *Andromède SAS – 21, boulevard Haussmann – 75009 Paris – France*
Holds: 124 RC shares

François Hériard Dubreuil holds a master's degree in science from the University of Paris and an MBA from INSEAD. He has been a corporate officer of the Company since December 1991. In particular, he was Chairman of Rémy Martin from 1984 to 1990 and Chief Executive Officer of Rémy Cointreau(1) from 1990 to 2000, then Chairman of its Supervisory Board from 2000 to 2004 and Chairman of the Board of Directors from November 2012 to September 2017. François Hériard Dubreuil is a member of the INSEAD French Council and Chairman of the INSEAD Foundation.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

Chairman of the Board of Directors of Andromède SAS.

OTHER APPOINTMENTS OUTSTANDING

- Chairman and Chief Executive Officer of Orpar SA.
- Representative of Orpar, Chairman of Récopart SAS.
- Non-Voting Board member of Oeneo SA(1).
- Chairman of Financière de Nonac 2 SAS.
- Chairman of the INSEAD Foundation.
- Chairman of the Abbaye de Bassac Foundation.

Appointments within the Rémy Cointreau Group

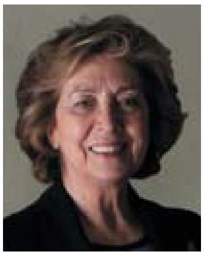
- Non-Executive Chairman of Rémy Cointreau Amérique, Inc.
- Director of Rémy Concord Limited.
- Director of Rémy Pacifique Limited.
- Board member of Dynasty Fine Wines Group Limited.

PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

- Board member of Oeneo SA(1).
- Chairman of Rémy Cointreau Services SAS.
- Representative of Rémy Cointreau Services SAS, Chairman of Joint Marketing Services SAS.
- Representative of Rémy Cointreau Services SAS, Chairman of Rémy Cointreau Libra SAS.
- Representative of Rémy Cointreau Services SAS, Chairman of Rémy Cointreau International Marketing Services SAS.
- Representative of Rémy Cointreau Services SAS, Chairman of Storeco SAS.
- Representative of Rémy Cointreau Services SAS, Board member of Financière Rémy Cointreau SA/NV.
- Director of Rémy Cointreau South Africa PTY Limited.
- Legal representative of Rémy Cointreau Shanghai Limited.
- Director of E. Rémy Rentouma Trading Limited.
- Director of Bruichladdich Distillery Company Limited.
- Director of Lochindaal Distillery Limited.
- Director of Port Charlotte Limited.
- Director of The Botanist Limited.
- Director of Rémy Cointreau UK Limited.
- Chairman of Mount Gay Distilleries Limited.
- Director of Rémy Cointreau International Pte Limited.
- Member of the Supervisory Board Rémy Cointreau Nederland Holding NV.
- Non-Executive Chairman of Rémy Cointreau USA Inc.
- Non-Executive Chairman of S&E&A Metaxa ABE.
- Chairman of Rémy Cointreau USA.
- Chairman of the Board of Directors of Rémy Cointreau SA(1).
- Chairman of the Management Board of Récopart.
- Board member of Shanghai Shenma Winery Co Ltd.
- Permanent representative of Grande Champagne Patrimoine, President of MMI.
- Chairman of Grande Champagne Patrimoine SAS.
- Chairman of Financière de Nonac SAS.
- Representative of Rémy Cointreau Services SAS, Board member of Rémy Cointreau Aries SA.
- Vice-Chairman and Deputy Chief Executive Officer of Oeneo SA(1).
- Chairman of the Management Board of Andromède SA.
- Chairman of Vivelys SAS.

(1) *Listed company.*



DOMINIQUE HÉRIARD DUBREUIL

French nationality, 73 years old.
Date first appointed: *7 September 2004.*
Date term of office expires: *Shareholders' Meeting held to approve the 2020 financial statements.*
Business address: *Andromède SAS – 21, boulevard Haussmann – 75009 Paris – France*
Holds: *2,795 RC shares*

Dominique Hériard Dubreuil is a Public Relations graduate of IRPCS and has been a corporate officer of the Company since December 1991. She was notably Chairman of the Board of Directors of Rémy Cointreau(1) from 1998 to 2000 and subsequently Chairman of the Management Board from 2000 to 2004. Dominique Hériard Dubreuil was Chairman of the Board of Directors of Rémy Cointreau(1) from 2004 to 2012. Dominique Hériard Dubreuil is a Commander of the Legion of Honour and a Commander of the National Order of Merit.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

Member of the Board of Directors of Andromède SAS.

OTHER APPOINTMENTS OUTSTANDING

- Board member of Orpar SA.
- Board member of Bolloré SE(1).
- Board member of the French Federation of Wine and Spirit Exporters (Fédération des Exportateurs de Vins et Spiritueux – FEVS).
- Board member of Fondation 2e Chance.

Appointments within the Rémy Cointreau Group

- Chairman of E. Rémy Martin & C° SAS.
- Chairman of Cointreau SAS.
- Representative of E. Rémy Martin & C° SAS, Chairman of Domaines Rémy Martin SAS.
- Chairman of the Rémy Cointreau Foundation.
- Board member and Chairman of Mount Gay Holding.

PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

- Supervisory Director of Rémy Cointreau Nederland Holding NV.
- Chairman and COO of Rémy Cointreau Amérique Inc.
- Director of Rémy Concord Limited.
- Director of Rémy Pacifique Limited.
- Chief Executive Officer and member of the Management Board of Andromède SAS.
- Member of the Supervisory Board of Andromède SAS.
- Board member of Comité Colbert.
- Vice-Chairman of the Supervisory Board of Wendel SA (listed company).
- Board member of Fondation de France.

(1) *Listed company.*

HÉLÈNE DUBRULE

French nationality, 54 years old.
Date first appointed: *24 July 2019.*
Date term of office expires: *Shareholders' Meeting held to approve the 2022 financial statements.*
Business address: *Hermès Distribution France – 24, rue du Faubourg Saint-Honoré – 75008 Paris – France*
Holds: *100 RC shares*

Hélène Dubrule graduated from HEC in 1987 and began her career at L'Oréal, where she held marketing and development positions for nearly 10 years within the Consumer Goods Division and was later appointed Marketing Director within the L'Oréal Luxury Goods Division. In 2001 she also graduated from Esmod, a school where she studied in Seoul, where she lived for four years. For the past 18 years, she has held responsibilities in the Hermès Group, where she has been in turn, International Marketing Director of Hermès Parfums, CEO of Hermès Soie et Textiles, CEO of Hermès Maison and Chairperson of Puiforcat. She has headed the French market businesses as CEO of Hermès Distribution France since July 2018.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

Member of the Supervisory Board of the Labruyère Group.

OTHER APPOINTMENTS OUTSTANDING

PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

Five executive positions at Group Hermès subsidiaries, between October 2009 and June 2018:

- CEO of Hermès Maison, Hermès Sellier Division.
- Chairman of Faubourg Italia.
- Chairman of Puiforcat.
- Chairman of Compagnie des Arts de la Table et de l'Émail (CATE).
- Chairman of Beyrand.

LAURE HÉRIARD DUBREUIL

French nationality, 42 years old.
Date first appointed: *26 July 2011.*
Date term of office expires: *Shareholders' Meeting held to approve the 2020 financial statements.*
Business address: *1220 Collins Avenue, Miami Beach, FL. 33139, USA*
Holds: *105 RC shares*

A graduate of the Institute of Oriental Languages and Civilisations and of the Fashion Institute of Technology, since 2000 Laure Hériard Dubreuil has served in various senior roles at Philipps-Van Heusen in Hong Kong and at Gucci in Paris and New York. In 2006, she founded The Webster in Miami, a high-end multi-brand fashion store concept which has seen steady growth in the United States.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

President and Creative Director of The Webster.

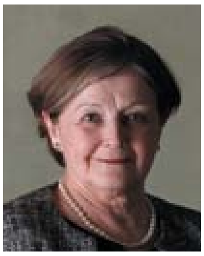
OTHER APPOINTMENTS OUTSTANDING

- President of Laure HD Investissements SAS.
- President of LHD LLC.
- President and Chief Executive Officer of 1220 Collins Avenue, Inc.

OTHER PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

None.



GUYLAINE SAUCIER

Canadian nationality, 73 years old.
Date first appointed: *24 July 2018.*
Date term of office expires: *Shareholders' Meeting held to approve the 2021 financial statements.*
Business address: *1321 Sherbrooke Ouest, Montreal H3G 1J4, Canada*
Holds: *100 RC shares*

Guylaine Saucier is a graduate with an Arts baccalaureate from the Collège Marguerite-Bourgeois and has a bachelor's degree in business from the École des Hautes Études Commerciales in Montreal.

Fellow of the Order of Chartered Accountants of Québec, Guylaine Saucier was Chairperson and CEO of the Gérard Saucier Ltée Group, a large company specialising in forestry products, from 1975 to 1989. She was also a certified Board member of the Institute of Company Directors.

She is an experienced Company Board member and is or was a member of the Board of Directors of a number of major companies, including the Bank of Montréal, AXA Assurances Inc., Danone and Areva.

She has chaired the Joint Committee on Corporate Governance (CICA, CDNX, TSX) (2000/2001), the Board of Directors of CBC/Radio-Canada (1995/2000) and the Board of Directors of the Canadian Institute of Chartered Accountants (1999/2000). She has also served on the Board of Directors of the Bank of Canada (1987/1991), the Commission of Inquiry into the Unemployment Insurance System (1986), and the Advisory Committee to Minister Lloyd Axworthy on Social Programme Reform (1994). Ms Saucier was the first woman to be appointed as President of the Quebec Chamber of Commerce. She played a very active role in the community as a Board member of various organisations, including the University of Montreal, the Montreal Symphony Orchestra and the Hôtel-Dieu de Montréal.

She was made a member of the Order of Canada in 1989 for having demonstrated exceptional civic spirit and provided a significant contribution to the business world.

On 18 May 2004, she was appointed Fellow of the Canadian Institute of Corporate Directors, and on 4 February 2005, she was presented with the 25th Management Achievement Award from McGill University. On 3 September 2010, she was appointed Director Emeritus by the Collège des Administrateurs de Sociétés.

In 2017 she received an honorary doctorate from Laval University.

OTHER APPOINTMENTS OUTSTANDING

- Member of the Board of Directors of Cuda Oil & Gaz (formerly Junex Inc.) (Quebec).
- Member of the Board of Directors and Chair of the Audit Committee of Tarkett.
- Member of the Supervisory Board and Chair of the Audit Committee of Wendel.

OTHER PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

- Member of the Board of Directors of Scor (2016).

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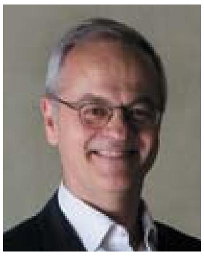

EMMANUEL DE GEUSER

French nationality, 56 years old.
Date first appointed: *24 July 2014.*
Date term of office expires: *Shareholders' Meeting held to approve the 2020 financial statements.*
Business address: *Roquette Frères – 101, avenue de la République – 59564 La Madeleine – France*
Holds: *100 RC shares*

Emmanuel de Geuser graduated from the Institut d'études politiques de Paris and has a master's degree in monetary economics from Université Paris IX-Dauphine, as well as being a qualified Chartered Accountant. After eight years as a manager with Arthur Andersen, from 1996 to 2002 Mr de Geuser held the posts of Audit Director, Coordinator of the "Performance 2001" Plan and Finance Director of the cigarettes division of the Altadis Group (formerly Seita). From 2002 to 2011, Mr de Geuser was Administrative and Financial Director and member of the Executive Committee of Générale de Santé.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

Finance Director and member of the Group Management Committee, Roquette Frères.

OTHER APPOINTMENTS OUTSTANDING

- Board member of Roquette Management and Roquette CH.
- Representative of Roquette Frères, General Manager of Roquette BV.

PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

None.

OLIVIER JOLIVET

French nationality, 47 years old.
Date first appointed: *24 September 2013.*
Date term of office expires: *Shareholders' Meeting held to approve the 2022 financial statements.*
Business address: *Como Holdings, 50 Cuscaden Road, #08-01 HPL Building, Singapore 249724*
Holds: *100 RC shares*

Olivier Jolivet is a graduate of the University of Westminster, the University of Munich and Ipag. After a period at McKinsey's German subsidiary, Mr Jolivet spent nearly ten years with the Club Méditerranée Group, mainly in Asia-Pacific. A member of the Executive Committee, he was most recently International Business Development and Construction Director. In 2008 Olivier Jolivet joined the Aman Group, where he served as Group Chairman and Chief Executive Officer in Singapore until December 2016. Since January 2017, Mr Jolivet has been Chief Executive Officer of Como Holdings (a multi-brand "family office" in the luxury goods sector).

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

Chairman and Chief Executive Officer of Como Holdings.

OTHER APPOINTMENTS OUTSTANDING

- Director of Como Holdings Pte Ltd. (Singapore), Leisure Ventures Pte Ltd. (Singapore), Olympia Partners Pte Ltd. (Singapore), HPL Olympia Pte Ltd. (Singapore), The Dempsey Cookhouse Pte Ltd. (Singapore), Venus Assets Sdn Bhd (Malaysia), Orchid Resorts Management Pvt Ltd. (Maldives), IVPL Ltd. (Maldives), Como Hotels & Resorts (Australia) Pty Ltd., PT Begawan Giri Estate (Indonesia), PT Shambala Payangan Indah (Indonesia), PT Villa Bukit Lestari, PC Caicos Ltd., Caicos Holdings Limited, PC Hotel Management Ltd., Caicos Utilities Ltd., ISL Caribbean Projects (Holdings) Ltd., ISL Caribbean Projects Ltd., The Parrot Cay Club Ltd., Dundee Holdings Ltd., Como Traymore LLC, Castello Di Modanella Srl Azienda Agricola, Castello Del Nero S.p.A, Leisure Ventures Europe Limited, Como Holdings (Europe) Limited.

PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

- Chairman and Chief Executive Officer of Société Nouvelle de L'Hôtel Bora Bora (French Polynesia).
- Director of Amanresorts Limited (Hong Kong), Amanresorts Limited (British Virgin Islands), Amanproducts Limited (British Virgin Islands), Amanresorts Services Limited (British Virgin Islands), Amanresorts International Pte Ltd. (Singapore), Andaman Development Co., Ltd. (Thailand), Andaman Resorts Co., Ltd. (Thailand), Andaman Thai Holding Co., Ltd. (Thailand), ARL Marketing Ltd. (British Virgin Islands), Balina Pansea Company Limited (British Virgin Islands), Bhutan Resorts Private Limited (Bhutan), Bodrum Development Limited (British Virgin Islands), Gulliver Enterprises Limited (British Virgin Islands), Hotel Finance International Limited (British Virgin Islands), Hotel Sales Services (Private) Limited (Sri Lanka), Jalisco Holdings Pte Ltd. (Singapore), Lao Holdings Limited (British Virgin Islands), LP Hospitality Company Limited (Laos), Maha Holdings Limited (Bermuda), Marrakech Investment Limited (British Virgin Islands), Naman Consultants Limited (British Virgin Islands), NOH Hotel (Private) Limited (Sri Lanka), Palawan Holdings Limited (British Virgin Islands), Phraya Riverside (Bangkok) Co., Ltd. (Thailand), Princiere Resorts Ltd. (Cambodia), PT Amanusa Resort Indonesia (Indonesia), Regent Asset Finance Limited (British Virgin Islands), Regent Land Limited (Cambodia), Silverlink (Thailand) Co., Ltd. (Thailand), Silver-Two (Bangkok) Co., Ltd. (Thailand), Seven Seas Resorts and Leisure Inc. (Philippines), Tangalle Property (Private) Limited (Sri Lanka), Toscano Holdings Limited (British Virgin Islands), Urbana Limited (Hong Kong), Zeugma Limited (British Virgin Islands), ARL Marketing, Inc. (USA), Guardian International Private Limited (India), Heritage Resorts Private Limited (India).

BRUNO PAVLOVSKY

French nationality, 57 years old.
Date first appointed: *29 July 2015.*
Date term of office expires: *Shareholders' Meeting held to approve the 2021 financial statements.*
Business address: *12, rue Duphot – 75001 Paris – France*
Holds: *100 RC shares*

Bruno Pavlovsky is a graduate of the École Supérieure de Commerce de Bordeaux (Bordeaux Management School) and holds an MBA from Harvard University. Bruno Pavlovsky began his career in 1987 as an Audit-Organisation consultant for Deloitte. In 1990, he joined the Chanel Group where he was Administrative and Fashion Director until 1998, then CEO in charge of Fashion (Haute-Couture, Ready-to-Wear, Accessories) until 2004. He has been Chairman of Paraffection since January 2003, Chairman of the Fashion business since January 2004, Chairman of Chanel SAS since 2018 and Chairman of Eres since July 2007. Mr Pavlovsky is also Chairman of the French trade association Chambre Syndicale du Prêt-à-Porter des Couturiers et des Créateurs de Mode and Chairman of the Fondation de l'Institut Français de la Mode.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

Chairman of Global Fashion at Chanel.

Chairman of Chanel SAS.

OTHER APPOINTMENTS OUTSTANDING

- Chairman of Chanel Coordination, A.C.T.3, Barrie France, Desrues, Eres, Établissement Bodin Joyeux, Gant Causse, Goosens Paris, Hugotag Ennoblissement, Lemarie, les Ateliers de Verneuil-en-Hallatte, Les Moulinages de Riotord, Lesage Intérieurs, Lesage Paris, Maison Massard, Maison Michel, Manufacture de Mode, Mégisserie Richard, Montex, Paloma, Paraffection, Partrois, Tannerie Haas, Orlebar Brown France, L'Atelier des MatieR, Defiluxe, Conceria Samanta S.p.A., Campelli srl (Italy).
- *Presidente Consiglio Administrazio de* Biella Filatura srl (Italy).
- *President consejero de* Colomer Leather Group sl (Spain).
- General Manager of Delta Drone, Manaso.
- General Manager of N&B Société Civile (France), N&B Terrasse, N&B Saint Georges, N&B Bassussary, N&B Penthièvre, N&B Jardin Public, N&B Duphot, and Brunic.
- Board member of Vastrakala.
- *Adminstratore unico de* Calzaturificio gensi Group srl (Italy).
- *Consigliere delegato de* Chanel Coordination srl (Italy), Roveda srl (Italy), and Immobiliare Rosmini srl (Italy).
- Manager of Eres Belgique sprl (Belgium) and Eres Moda (Turkey).
- Director of Chanel Limited (UK), Barrie Knitwear (UK), Eres Fashion UK limited (UK), Eres Paris S.L. (Spain), Eres U.S. Inc. (USA), FCL srl (UK) and Orlebar Brown Limited (UK).
- Managing Director of Eres GmbH (Germany).

PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

- President of LMG and Idafa.
- General Manager of Établissements Legeron Clerjeau Tissot.

JACQUES-ÉTIENNE DE T'SERCLAES

French nationality, 72 years old.
Date first appointed: *27 July 2006.*
Date term of office expires: *Shareholders' Meeting held to approve the 2021 financial statements.*
Business address: *Résidence Baccarat, 3, rue Kartaja, 20100 Casablanca, Morocco*
Holds: 572 RC shares

Jacques-Étienne de T'Serclaes, chartered, accountant, graduated from ESSCA and Harvard Business School (OPM). He is a former member of Compagnie des Commissaires aux comptes. As Senior Partner with PricewaterhouseCoopers (1990-2005), he headed up the Global Retail and Consumer practice worldwide and was Chairman of the Supervisory Board of PwC Audit France. Previously he spent seven years within the Euromarché Group (acquired by Carrefour) where he was Chief Executive Officer.
He is currently founder of the charity Agence du Don en Nature (Goods to Give) and Operating Partner at Advent International Global Private Equity.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

Founder of the charity *Agence du Don en Nature*.

OTHER APPOINTMENTS OUTSTANDING

- Board member of the Institut Français des Administrateurs (IFA).

PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

- Board member of Altran Technologie SA.
- Board member of Banimmo (Belgium).

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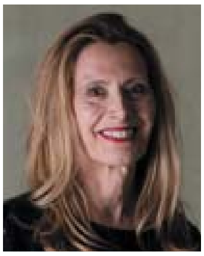

ORPAR SA

Date first appointed: *26 July 2016.*
Date term of office expires: *Shareholders' Meeting held to approve the 2022 financial statements.*
Business address: *Rue Joseph Pataa, Ancienne Rue de la Champagne – 16100 Cognac – France*
Orpar holds: *19,542,581 RC shares*, **its representative, Gisèle Durand, holds:** *1,728 RC shares*

Orpar is the Group's main shareholder. At 31 March 2020, it held more than a third of Rémy Cointreau's share capital and over 45% of the voting rights. Orpar's permanent representative is Gisèle Durand.
Between 1974 and 1980, Gisèle Durand, holder of a postgraduate degree in Economics and Management from CNAM in Paris and a graduate of the École Supérieure de Gestion et Comptabilité (PARIS II), was Administrative Director for a service run by the French Ministry of Agriculture. She went on to join the Cointreau Group where she held a number of roles in accounting and finance, and then the Rémy Cointreau(1) Group until 2000, when she joined the holding company, Orpar. Appointed as secretary general of Oeneo(1) in 2005, with particular responsibility for the development of Human Resource "Managers", in 2007 she was made Deputy Chief Executive Officer of Andromède SAS.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

Deputy Chief Executive Officer of Andromède SAS.

OTHER APPOINTMENTS OUTSTANDING

- Board member of Oeneo SA(1) since June 2012 – listed company.
- Member of the Nominations and Human Resources Committee of Oeneo SA(1) – listed company.
- Permanent Representative of Orpar, Board member of Rémy Cointreau SA(1).
- Nomination and Remuneration Committee of Rémy Cointreau SA(1).

PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

None.

(1) *Listed company.*

NON-VOTING MEMBERS

CAROLINE BOIS HÉRIARD DUBREUIL

French nationality, 43 years old.
Date first appointed as a non-voting member: *24 July 2019.*
End of appointment as non-voting member: *July 2020.*
Business address: *Andromède SAS – 21, boulevard Haussmann – 75009 Paris – France*
Holds: *4,005 RC shares*

A graduate of HEC and the MAP program at INSEAD, Caroline Bois Hériard Dubreuil has held various leadership positions in finance and project management at Freelance.com, Dictis, and International SOS since 1998, before joining the Rémy Cointreau[(1)] Group in 2014 as Head of Group Management Control and Planning. Caroline Bois Hériard Dubreuil is currently Deputy Chief Executive Officer of Andromède.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

Deputy Chief Executive Officer of Andromède SAS.

OTHER APPOINTMENTS OUTSTANDING

- Non-Voting Member of the Board of Directors of Rémy Cointreau SA[(1)].
- Board member of Oeneo SA (listed company).
- Chairwoman of the *Famille Partage Espérance* endowment fund.

PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

- Head of Group Management Control and Planning at Rémy Cointreau SA[(1)].
- Member of the Board of Directors of Rémy Cointreau SA[(1)].

(1) *Listed company.*

ÉLIE HÉRIARD DUBREUIL

French nationality, 42 years old.
Date first appointed as a non-voting member: *20 November 2018.*
End of appointment as non-voting member: *November 2020.*
Business address: *Andromède, 21, boulevard Haussmann, 75009 Paris – France*
Holds: *519 RC shares*

A graduate of the French National School of Statistics and Economic Administration (ENSAE), Élie Hériard Dubreuil began his career in structured finance and credit risk modelling at Fitch Ratings, before honing his expertise in investment banking at CDC IXIS and Caisses d'Épargne Group. For more than 12 years, he held various global positions at S&P Global, where he was responsible for ratings and methodology for sovereigns, public finances and financial institutions. In 2018 and 2019, he was Co-Director of Beyond Ratings, an innovative rating agency integrating sustainable development. In 2019, he joined the senior management of Andromède.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

Deputy Chief Executive Officer of Andromède SAS.

OTHER APPOINTMENTS OUTSTANDING

- Board member of Oeneo SA[(1)].
- Board member of Pro Drones Investments.
- Chairman of the Irini association.
- Chairman of the Board of Estimeo SAS.
- Board member of Koosmik Corp.

PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

- Non-voting member of Oeneo SA[(1)].
- Non-voting member of the Supervisory Board of Andromède SAS.
- Chief Executive Officer of Beyond Ratings SAS.
- Senior Director at the S&P Global ratings agency.
- Governor and Treasurer of All Saints Blackheath Primary School.
- Vice-Chairman and Trustee of the charity Life Project For Youth (LP4Y), England.
- Lecturer at Sciences Po Executive Education.
- Lecturer at CIFE.

(1) *Listed company.*

3

Independence of the Board

The process of assessing the independence of the Company's Board members is implemented by the Nomination and Remuneration Committee. On the recommendation of this committee, once a year the Board of Directors reviews the situation of each Board member in light of the independence criteria defined by the AFEP/MEDEF Code.

A Board member is classified as independent when he or she has no relationship of any kind with the Company, its Group or its management that may interfere with his or her freedom of judgement.

In considering this independence, the Board relies on the criteria specified by the AFEP/MEDEF Code:

- not to be, or have been during the course of the previous five years, an employee or executive officer of the Company, an employee or executive officer or director of a company consolidated within the Company, an employee, executive officer or director of the parent company or of a company consolidated within this parent company;
- not to be an executive officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive officer of the Company, currently in office or having held such office during the last five years, is a director;
- not to be a customer, supplier, commercial banker or investment banker that is material to the Company or its Group or for a significant part of whose business the Company or its Group accounts;
- not to be related by close family ties to a corporate officer;
- not to have been a Statutory Auditor of the Company within the previous five years;
- not to have been a director of the Company for more than 12 years.

On 3 June 2020, the Board of Directors accordingly adopted the list of Board members qualified as independent on 31 March 2020:

Hélène Dubrule, Guylaine Saucier, Emmanuel de Geuser, Olivier Jolivet, Bruno Pavlovsky, Jacques-Étienne de T'Serclaes.

The Board of Directors is regularly informed of the independence of each of its members.

The table below summarises the results of the process of assessing the independence of Board members in light of the criteria specified in the AFEP/MEDEF Code.

	Employee or executive officer	Absence of cross-directorships	Business relationships	Family ties	Statutory Auditors	12 years on the Board	Classification
Mr Marc Hériard Dubreuil	Yes	Yes	No	Yes	No	Yes	Non-independent
Mr François Hériard Dubreul	Yes	Yes	No	Yes	No	Yes	Non-independent
Ms Dominique Hériard Dubreuil	Yes	Yes	No	Yes	No	Yes	Non-independent
Mr Emmanuel de Geuser	No	Yes	No	No	No	No	Independent
Ms Marie-Amélie Jacquet	Yes	Yes	No	Yes	No	No	Non-independent
Ms Hélène Dubrule	No	Yes	No	No	No	No	Independent
Ms Laure Hériard Dubreuil	No	Yes	No	Yes	No	No	Non-independent
Mr Olivier Jolivet	No	Yes	No	No	No	No	Independent
Mr Bruno Pavlovsky	No	Yes	No	No	No	No	Independent
Ms Guylaine Saucier	No	Yes	No	No	No	No	Independent
Mr Jacques-Étienne de T'Serclaes	No	Yes	No	No	No	Yes	Independent
Orpar SA (represented by Gisèle Durand)	Yes	Yes	No	No	No	No	Non-independent

At its meeting on 3 June 2020, the Board of Directors reviewed with particular care the situation of Jacques-Étienne de T'Serclaes in respect of the AFEP/MEDEF Code, which recommends "not having been a director for more than 12 years". In accordance with the "comply or explain" rule in the Code, it was decided, on the recommendation of the Nomination and Remuneration Committee, to explain the decision not to use this criteria for this Board member for the reasons set out in the table in section 3.2.6 of the registration document.

3.2.3 Operation of the Board of Directors

The operation of the Board of Directors and committees is primarily governed by internal regulations. The regulations can be found on the Company's website.

3.2.3.1 OPERATING PROCEDURES

Notification of Board meetings

The schedule of Board meetings for the following year is agreed among the Board members at the June meeting of the Board of Directors, at the latest. The members of the Board are subsequently notified of each meeting by email, approximately ten days in advance.

The Statutory Auditors are invited to attend the meetings of the Board of Directors called to examine the interim and annual financial statements.

Information provided to Board members

Board members are provided with all the necessary documentation and information at least eight days prior to meetings of the Board and its various committees, subject to confidentiality requirements.

Documentation and information for Board meetings are subject to wide-reaching financial and commercial analysis, comprising very detailed corporate data allowing a thorough understanding by Board members of the trading environment, results and outlook for the Rémy Cointreau Group.

The prior and regular provision of information to Board members is fundamental to the performance of their duties. As such, the Chairman of the Board of Directors ensures that senior management provides Board members with any strategic and financial information on an ongoing and unlimited basis. This includes information on the Company's cash flow and liquidity position, its commitments, the market trends, competition and key issues, including corporate social responsibility, which the Board members require in order to discharge their duties under the best possible conditions.

On the basis of the information provided, Board members can request any clarifications or information they deem necessary. The Board members undertake to maintain the strict confidentiality of information received. As this concerns, in particular, unpublished information acquired during the course of their work, Board members are therefore subject to a Code of professional secrecy.

Outside Board meetings, Board members regularly receive all significant information relating to the Company and the Group, in particular monthly operating reports compared against the budget, and are alerted to any event or development that may have a material impact on trading or on information previously submitted to the Board.

They also receive press releases issued by the Company as well as key press articles and equity research reports.

Board members may meet the main Group managers without members of senior management being present, on the condition that they make a prior request to the Chairman of the Board of Directors.

Each Board member may receive, if he or she deems it necessary, additional training on specific matters relating to the Group, its business lines and sectors of activity, including corporate social responsibility issues.

Upon taking office, each Board member is sent on an integration programme to learn the basics about the business lines, organisation, strategy, geographical positioning, product positioning, customers and financial and regulatory aspects of the Group.

Board members must devote the necessary time and attention to their duties and if offered a new position, must give ample consideration to whether accepting it would prevent them from fulfilling this responsibility.

Meetings

The meetings of the Board of Directors take place in Paris, at the administrative head office. However, the Board may hold meetings in other locations, in France or another country, at the Chairman's request.

Meetings of the Board of Directors may be held by video-conference and/or teleconference. The technical resources used must provide for the identification of the Board members and guarantee their actual participation.

Participation by videoconference is not allowed for meetings devoted to the approval of the annual and consolidated financial statements, or for the Company and Group management reports.

Minutes of meetings

The minutes of the meetings of the Board of Directors are prepared after each meeting and given in draft form to members at the subsequent meeting, during which they are approved.

Transparency rules

Upon taking office, and then on a regular basis during their term, Board members are given the Guide published by the French Financial Markets Authority (Autorité des marchés financiers, AMF), which is aimed at Board members of listed companies. It sets out their personal obligations with respect to holding Company shares.

Board members must hold their shares in registered form or deposit shares issued by the Company, its subsidiaries, the Company of which it is a subsidiary or other subsidiaries of that company, and which are owned by the Board members themselves, by spouses from whom they are not physically separated or by minors.

Each Board member must hold a minimum of 100 shares.

The Board members, Chief Executive Officer and members of the Executive Committee are regularly informed of the provisions of Article L. 621-18-2 of the French Monetary and Financial Code and the Articles of the AMF General Regulation that have a direct bearing on them. Board members must therefore directly inform the AMF of any equity securities, debt securities or securities convertible to equity of the Company that they have bought, sold, subscribed for or exchanged, as well as any trading in derivative financial instruments, or any such transactions related to them, within three business days of the trade date. In addition to Board members, the Chief Executive Officer and members of the Executive Committee, this rule applies to all individuals or corporate entities related to them in accordance with the applicable regulations. This also applies to transactions carried out by their spouses from whom they are not physically separated or civil partners under French legislation, by minors, by any other relative living with them for at least a year as of the date of the transaction in question, or by any legal entity whose governance is under the responsibility of one of the aforementioned individuals, which is directly or indirectly controlled by that person, which was established for his/her own benefit, or of which the majority of the economic benefits flow to that person.

Finally, Board members must make themselves aware of periods during which they must not trade in the Company's shares and of their general obligations under the applicable regulations.

For this purpose, in accordance with AMF recommendations, the Board members, Chief Executive Officer and Executive Committee members must refrain from trading in the Company's shares 30 calendar days before Rémy Cointreau issues a press release on its annual and interim results and 15 calendar days before it publishes its quarterly financial information. Outside these abstention periods, the Board members, Chief Executive Officer and members of the Executive Committee must not trade in the Company's shares if they have insider information.

Board members must inform the Board of Directors as soon as they become aware of any conflict of interest or potential conflict of interest and abstain from taking part in deliberations and corresponding votes. In the case of a permanent conflict of interest, the Director must resign.

Stock Market Ethics Code and rumour management manual

At its meeting on 28 March 2017, the Board of Directors adopted a Stock Market Ethics Code relating to the confidentiality of information and the prevention of insider trading within the Rémy Cointreau Group. The Code reminds the Group's employees of the laws and regulations in force, the penalties for non-compliance and the introduction of preventive measures to enable everyone to invest without infringing market integrity rules.

To this end, the Board of Directors decided to set up an "Insiders Committee" composed of the Group's Chief Executive Officer, Chief Financial Officer and a compliance officer.

The Stock Market Ethics Code is available on the Group's website.

At the same meeting, the Board of Directors also adopted a Rumour Management Manual to inform members of the Insider Committee of the applicable regulations and best practices to follow in the event of market rumours about the Company or the Rémy Cointreau Group in general.

3.2.3.2 DUTIES OF THE BOARD OF DIRECTORS

Role and powers of the Board of Directors

The Board of Directors is a collegiate body, in that Board members collectively exercise the functions conferred on the Board by law. The Board members do not have any individual powers, apart from the Chairman, by virtue of the role and powers conferred by the Articles of Association and the internal regulations of the Board of Directors.

The role of the Board is to determine, upon a proposal from the Chief Executive Officer, the strategic, economic and financial direction of the Company and its Group and to oversee its implementation. The Board may be involved in any matters pertaining to the operation of the Company and its Group and may ask senior management to report and/or submit proposals on such matters. In this regard, the Board retains all decision-making powers.

The Board may perform or commission any audits and checks that it deems appropriate.

In general, any major decision affecting the Company and its Group, including decisions likely to affect their strategy, financial structure or scope, requires the Board's prior authorisation.

Any material transaction that does not relate to the Group's formal strategy is also subject to the prior approval of the Board.

The Board of Directors is informed of the Company's financial position, cash flow, liabilities and liquidity position.

The Board verifies the content of information received by shareholders and investors, which must be relevant, balanced and informative regarding the strategy, development model, handling of non-financial issues by the Company and long-term outlook for the Group.

Lastly, it is committed to promoting long-term value creation by the Company, taking into account social and environmental issues relating to its activities.

It reports to the Shareholders' Meeting on how the Board prepared and organised its work, the internal control and risk management procedures put in place by the Company, the limitations that the Board has placed on the powers of the Chief Executive Officer, the specific arrangements relating to shareholder participation at Shareholders' Meetings, and the principles and rules governing the remuneration and benefits granted to corporate officers.

The Board of Directors may appoint non-voting members directly, without ratification by the Shareholders' Meeting. Non-voting members examine issues that the Board of Directors or its Chairman submits for their consideration. Non-voting members are invited to Board meetings in the same way as regular Board members. They attend these meetings and take part in deliberations in a consultative role. However, their absence does not affect the validity of the proceedings.

Role and powers of the Chairman of the Board of Directors

The Chairman of the Board of Directors organises and presides over the Board's work, reporting on this to the Shareholders' Meeting.

He is responsible for the effective operation of the Company and ensures that Board members are able to discharge their duties.

He also makes sure that senior management fully exercises the responsibilities delegated to it by law, by the Articles of Association and by these regulations.

The Board of Directors delegates the Group's public communications to the Chairman, who liaises closely with the Chief Executive Officer. The Chairman may appoint any representative of his choice for specific subjects. He reports regularly to the Board on the performance of his duties.

3.2.4 Activity of the Board of Directors and specialised committees

During the financial year ended 31 March 2020, the Board of Directors met on 11 occasions (including five extraordinary meetings). Board meetings lasted for three hours on average. The attendance rate was 92%. The meetings of 17 June, 11 September, 26 November 2019 and 23 January 2020 took place by conference call.

The Board of Directors routinely meets without the Chief Executive Officer the day before a Board meeting.

INDIVIDUAL ATTENDANCE OF BOARD MEMBERS FOR THE 2019/2020 FINANCIAL YEAR AT BOARD AND COMMITTEE MEETINGS

	Attendance at meetings of the Board of Directors	Attendance at meetings of the Audit-Finance Committee	Attendance at meetings of the Nomination and Remuneration Committee	Attendance at meetings of the Corporate Social Responsibility Committee
Mr Marc Hériard Dubreuil	100%			
Mr François Hériard Dubreuil	91%	75%		
Ms Dominique Hériard Dubreuil	100%		100%	100%
Ms Marie-Amélie Jacquet	100%			
Ms Hélène Dubrule	100%			100%
Mr Emmanuel de Geuser	73%	50%		
Ms Laure Hériard Dubreuil	91%			
Mr Olivier Jolivet	82%		100%	100%
Mr Bruno Pavlovsky	82%		100%	
Ms Guylaine Saucier	100%	100%		
Mr Jacques-Etienne de T'Serclaes	91%	100%		
Orpar SA (represented by Ms Gisèle Durand)	100%		100%	
NON-VOTING MEMBERS:				
Ms Caroline BOIS	100%			
Mr Elie Hériard Dubreuil	100%			
Average attendance	92%	81%	100%	100%

A committee of Chairmen enables the Chief Executive Officer to meet with the senior management of Andromède, the parent of Orpar and the Group's ultimate parent company. This committee enables the Company's management to be better informed on the strategies adopted within the Group's sector of activity, and as such to prepare the work of the Board of Directors under the best possible conditions. An account of this work is routinely presented to the Board of Directors.

With regards to its main areas of competence, the Board debated and ruled on the following items in particular.

Corporate governance

In particular, the Board, on the basis of the work of the Nomination and Remuneration Committee:

- took note of the resignation of Valérie Chapoulaud-Floquet as Chief Executive Officer as from 30 November 2019 and ruled on the financial terms of the end of her term of office;
- following a nominating process for a new Chief Executive Officer, decided to appoint Éric Vallat as Chief Executive Officer for a term of three years from 1 December 2019 and approved the remuneration components;
- proposed at the Shareholders' Meeting of 24 July 2019:
  i) the reappointment of Marc Hériard Dubreuil, Olivier Jolivet, and Orpar,
  ii) the appointments of Hélène Dubrule as independent Board member and of Marie-Amélie Jacquet, replacing Florence Rollet and Yves Guillemot, whose terms of office expired;
- appointed Caroline Bois as non-voting member for a period of one year, as part of the succession plan for the representation of the majority shareholder;
- prepared the generational transition of the majority shareholder;
- approved the list of independent Board members at 31 March 2020, on the recommendation of the Nomination and Remuneration Committee;
- carried out an assessment of its operation;
- discussed the composition of its specialised committees;
- took note of the minutes reported by the Chairs of each specialised committee;
- approved the remuneration package of the Chairman of the Board of Directors and the Chief Executive Officer for the 2018/2019 financial year;
- set the remuneration policy for the Chairman of the Board of Directors and the Chief Executive Officer for the 2019/2020 financial year.

The Group's strategy

In particular, the Board:

- approved the mid-term strategic plan, following the appointment of Eric Vallat as Cheif Executive Officer ;
- examined the advantages of the proposed acquisitions and their impact on the financial structure of the Company and its long-term growth capacity;
- approved the start of exclusive negotiations with the Brillet family for the acquisition of the cognac House JR Brillet and part of its vineyards. For Rémy Cointreau, this acquisition will be the opportunity to introduce spirits into its portfolio that have real growth potential and to develop an inventory of cognac and vineyards of exceptional quality;
- reviewed the strategies and performance of the competition and the Group's relative positioning;
- monitored acquisitions carried out in previous years;
- at each meeting, reviewed the Group's activity and results, net sales achieved by division, geographic areas and brands and gains in market share, thus allowing Board members to be aware on a continuous basis of the Company's current situation and challenges;
- studied the impact of Covid-19 on the Group and the health conditions for the end of the lockdown.

As it does each year, to obtain an in-depth knowledge of the Group's brands, the Board of Directors meets at a production site. On 24 September 2019, the Board therefore held its meeting at the Club Rémy Martin on the Cognac production site, which produces Cognac Rémy Martin (LOUIS XIII). The Board went on a tour of the site and met employees. During the meeting, the Chief Executive Officer of House of Rémy Martin presented the Rémy Martin brand development strategy to Board members.

Financial statements and budget

In particular, the Board, on the basis of the work of the Audit-Finance Committee:

- approved the Group's consolidated financial statements and the Company financial statements at 31 March 2019;
- set the appropriation of 2018/2019 earnings proposed to the Shareholders' Meeting and approved the distribution of a special one-euro dividend in addition to an ordinary dividend of €1.65;
- reviewed the interim consolidated financial statements at 30 September 2019;
- adopted the budget for the 2020/2021 financial year;
- decided to implement the Company's share buyback programme within the limit of 1,000,000 shares;
- awarded Performance shares under the 2016 plan;
- completed an initial estimate of the Covid-19 pandemic.

Corporate Social Responsibility

The Board, on the basis of the work of the Corporate Social Responsibility Committee:

- reviewed the non-financial risks;
- reviewed the Pacte law and the *raison d'être* of the Rémy Cointreau Group;
- developed the 2024 CSR Plan.

Regulated agreements

The Board:

- reviewed the regulated agreements entered into and authorised in prior financial years and whose performance continued in 2019/2020;
- authorised commitments made to Mr Vallat for remuneration, allowances or benefits due or likely to be due as a result of his termination or change of office;
- approved the application of the non-compete commitment of Valérie Chapoulaud-Floquet and authorised payment of €1,579,883 accordingly.

For more details about the regulated agreements and commitments, see Chapter **8.5**.

ACTIVITY OF THE SPECIALISED COMMITTEES OF THE BOARD OF DIRECTORS

In order to carry out an in-depth review of the specific issues related to the duties of the Board of Directors, the latter has established three specialised committees:

- Audit-Finance Committee;
- Nomination and Remuneration Committee;
- Corporate Social Responsibility Committee.

These committees are established to study and prepare certain considerations and to give recommendations or advice to the Board. Their overall objective is to improve the relevance of the information provided to the Board and the quality of its deliberations. In no way are they a substitute to the Board of Directors. The recommendations of the committees are presented to the Board as part of the reports made to the Board meeting by their respective Chairmen.

The Board defines the composition and powers of these committees. The Board appoints a member of each committee as Chairman.

The committees may have regulations specifying their powers and modes of operation, but in the absence of specific regulations, the provisions of the internal regulations of the Board of Directors are considered to act as the regulations for each committee as regards their powers and modes of operation.

In the exercise of their powers, these committees may interview Group executives and Statutory Auditors after having informed the Chairman of the Board. The Board may entrust third parties with special assignments bearing on one or more specific topics, at the request of these committees. Their remuneration is then set by the Board. The committees report the opinions obtained in this manner to the Board.

The committees do not interact directly with Executive Committee members, but one of the members of the Executive Committee attends the meetings of the committee that addresses topics relating to his/her function. He/she then prepares and makes available all documentation necessary for the committee to perform its duties. The Audit Committee may request interviews with the Statutory Auditors without the attendance of an Executive Committee member.

The Chairman of the Board may attend any Committee meeting.

The secretariat of each committee is provided by a person designated by the Chairman or in agreement with him/her.

AUDIT-FINANCE COMMITTEE

Members of the Audit-Finance Committee have the necessary financial and accounting skills from their professional experience and their sound knowledge of the Group's accounting and financial procedures (see biographies on pages 117 to 124).

Composition

Chairwoman: Guylaine Saucier

Members: François Hériard Dubreuil, Emmanuel de Geuser, and Jacques-Étienne de T'Serclaes

Number of independent members: three

Duties

INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS RELATING TO THE DUTIES OF THE AUDIT-FINANCE COMMITTEE

The duties of the Audit-Finance Committee are as follows:

- review of the annual and interim financial statements and quarterly net sales and ensuring the appropriateness and consistency of the accounting principles used;
- monitoring of the process of preparing financial information;
- review of the debt and banking covenant positions;
- valuation and monitoring of intangible assets;
- valuation of inventories;
- off-balance sheet commitments;
- application of IFRS accounting standards;
- Group financial and tax policy;
- review of risk mapping and principal risks (litigation, receivables, intangible assets);
- internal control procedures;
- internal audit action plan, recommendations and follow-up actions;
- to be notified of any material failure or weakness in terms of internal control and any fraud of a significant nature;
- to be notified of the implementation of the Group's compliance programmes, particularly those relating to the prevention of corruption and monitoring of the most significant cases brought to the attention of the Group;
- currency and interest rate risk management policy, particularly the review of the authorised maximum risk amount and the amount of the "disaster" risk, regular review of positions, accounting methods and instruments used and review of procedures;
- recommendation on the appointment of the Statutory Auditors;
- review of fees budget;
- interview of the Statutory Auditors, monitoring of the rules on the independence and objectivity of the Statutory Auditors;

The Audit Committee fulfils the functions of a specialised committee and carries out monitoring of matters relating to the preparation and control of accounting and financial information, in accordance with Articles L. 823-19 and L. 823-20-4 of the French Commercial Code.

One day prior to Committee meetings, the members may hold a preparatory meeting to exchange and examine the information that has been provided to them. The committee ensures that information relating to agenda items is provided at least three days in advance of the meeting.

Activity

The Audit-Finance Committee met four times during the financial year with the participation of the Statutory Auditors and an attendance rate of 81%. Guylaine Saucier was appointed Chairwoman as from 1 October 2019 by the Board of Directors, to replace Jacques-Étienne de T'Serclaes, who remained a member.

The following are the main items addressed during these meetings:

- review of the consolidated financial statements of the Group and the Company financial statements for 2018/2019, the 2019/2020 interim financial statements, quarterly financial statements and, more generally, the financial reporting of the Company;
- review of the cash, debt and banking covenant positions;
- review of the currency hedging positions and monitoring of client risk;
- monitoring of the main legal and tax disputes;
- risk assessment of intangible assets (brands) and financial assets;
- review of the value of investments in associates;
- review of the Group's tax situation;
- review of the corruption risk map, progress on the Sapin II implementation action plan and personal data protection programme;
- review of the internal audit action plan and its findings;
- mapping of social and environmental risks;
- review of non-financial information;
- valuation testing of intangible assets;
- internal audit and compliance;
- progress report on the IT migration project, with a view to a complete overhaul of the finance module;
- review of the independence of the Statutory Auditors;
- review of the financial communication about the Covid-19 health crisis.

It should be noted that on each occasion that financial statements were finalised, the committee met the Statutory Auditors without management being present, before the Finance department presented the financial statements to it. The Chief Financial Officer attends all Audit Committee meetings. The committee also met the person responsible for internal control activities (audit, risk, compliance) at each meeting, particularly with regards to progress on the Sapin II implementation action plan and work on personal data protection.

NOMINATION AND REMUNERATION COMMITTEE

Composition

Chairman: Bruno Pavlovsky

Members: Dominique Hériard Dubreuil, Gisèle Durand (ORPAR) and Olivier Jolivet

Number of independent members: two

Duties

INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS RELATING TO THE DUTIES OF THE NOMINATION AND REMUNERATION COMMITTEE

The duties of the Nomination and Remuneration Committee are as follows:

- review of potential candidates for the Board of Directors and selection of independent Board members;
- review of the classification of independent Board member at the time of appointing a Board member and annually for all members in light of the independence criteria specified by the AFEP/MEDEF Code;
- interviewing candidates for the positions of Chief Executive Officer, Deputy Chief Executive Officer and non-voting member;
- succession plan for executive officers;
- recommendation on the total budget and arrangements for distributing of Directors' fees;
- review of the tools enabling improvements to the motivation and remuneration of the Group's executives and management;
- senior management remuneration;
- management bonus systems;
- review of the Group's policy on stock options and grant of bonus shares;
- review of supplementary pension plans.

Activity

This committee met five times during the 2019/2020 financial year with an attendance rate of 95%.

The committee played an especially important role in working on the implementation of the new governance structure of Rémy Cointreau.

In particular, it discussed:

- the resignation of Valérie Chapoulaud-Floquet and reviewed the financial terms of the end of her term of office;
- the management of a selection process for a new Chief Executive Officer;
- the appointment of Éric Vallat as Chief Executive Officer and the setting of his remuneration package;
- the regulated agreements made with Mr Vallat as part of his appointment, for remuneration, allowances, or benefits due or likely to be due as a result of his termination or change of office;
- the composition of the Board of Directors and the Board's committees;
- the reappointment of Marc Hériard Dubreuil as Chairman of the Board of Directors and the revision of his remuneration structure as Chairman of the Board of Directors;

- the appointment of one non-voting member to the Board of Directors;
- changes in the top-hat conditional Group defined-benefit pension plan of Rémy Cointreau, further to the adoption of the Pacte law;
- the succession plan for executive officers;
- the policy for allocating Directors' fees to Board members;
- changes made by the Pacte law to remuneration and reporting on ratios of women to men;
- the extent to which the performance conditions in respect of the variable portion of the remuneration of the Chief Executive Officer and the members of the Executive Committee were achieved for the 2018/2019 financial year;
- the remuneration of Executive Committee members;
- the presentation of future changes in the Board's composition in view of the terms of office due to expire at the Shareholders' Meeting in 2020;
- the setting of the remuneration policy for executive officers for the 2019/2020 financial year;
- the new medium/long-term performance incentive plan in the form of a grant of indexed bonus shares;
- the extent to which the performance conditions attached to the 2016 medium/long-term performance incentive plan in the form of a grant of indexed bonus shares were achieved.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Composition

Chairman: Dominique Hériard Dubreuil

Members: Hélène Dubrule and Olivier Jolivet

Number of independent members: two

Duties

INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS RELATING TO THE DUTIES OF THE CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The duties of the Corporate Social Responsibility (CSR) Committee are as follows:

- approval and implementation of the CSR policy;
- compliance with commitments (Global Compact and internal CSR charters);
- report on actions taken (2020 CSR Plan);
- monitoring of indicator scorecard;
- result of CSR reporting verification checks (*Grenelle* laws);
- changes in non-financial ratings;
- outlook (updating of 2020 CSR plan).

Activity

This committee met three times during the 2019/2020 financial year with an average attendance rate of 92%.

The following are the main items addressed during these meetings:

- review of the implementation of the 2020 CSR performance indicators for Executive Committee members;
- guidelines of the 2024 CSR Plan;
- review of changes in the legal framework (Notat-Sénard report, Pacte law, revision of the AFEP/MEDEF Code with changes to the Board's CSR responsibilities), *raison d'être*;
- review of the Group's CSR activity in the 2018/2019 financial year (CSR section of the registration document);
- incentive plan for Executive Committee members relating to CSR indicators;
- the Group's 2018/2019 CSR reporting and new SNFP (statement of non-financial performance);
- review of the work of the Rémy Cointreau Foundation;
- review of the mapping of social and environmental risks (for annual monitoring with the Audit-Finance Committee).

3.2.5 Assessment of the Board of Directors

In accordance with the Internal Regulations of the Board of Directors and the AFEP/MEDEF Code, the Board conducts an annual self-assessment, reviewing its own composition, organisation and operation and that of the three committees.

Board members expressed a high degree of satisfaction regarding the operation of the Board and the Committees.

The quality of dialogue was emphasised, with the Chairman of the Board ensuring that everyone could express their views.

The composition of the Board is well balanced, with an equal representation of women and men, but could nevertheless be younger and further diversified with the presence of international profiles.

Board duties are carried out with the necessary competence and independence thanks to the presence of experienced professionals and a significant number of independent Board members, particularly for a Group with one main shareholder. This balance must be maintained.

The Board noted in particular its active role in the Group’s CSR challenges.

Board members considered that meeting agendas should continue to include subjects other than those relating directly to business or finance, by promoting discussions on strategic issues or the competitive environment. Nevertheless, they believe that the Board’s role in leading the Group’s strategy is carried out in a satisfactory manner.

Board members would also like to increase their meetings with Executive Committee members and key managers (presentation of their division, targets and results).

Board members emphasise the quality of the information given, particularly during a crisis (Covid-19), at Board meetings, but would like to be better informed, where appropriate, between Board meetings. Creation of a dashboard to monitor the Group's activity, as well as projects and Board decisions, would also be appreciated.

The composition and the preparation of the committees were deemed appropriate, with relevant expert members in each one of them. The minutes drawn up by the committee Chairmen during Board meetings provided a clear picture of the topics discussed and allowed the Board to make appropriate decisions.

The minutes of meetings transcribe the content of discussions and decisions at Board meetings in a satisfactory manner. They could however be issued sooner after meetings.

Board members deemed the dinners organised before Board meetings to be essential. These, alongside visits to Group sites to which they are invited, enable them to build collegiality and ensure the Board’s unity.

The main governance challenges over the next three years, in no particular order, are: the continuation of the generational transition of the lead shareholder within the Board and the Group; the continuation and acceleration of the sustainable development policies, post-Covid management and support for executive management in implementing its strategy.

3.2.6 "Comply or Explain" rule

The Company considers its practices to be consistent with the recommendations of the AFEP/MEDEF Code. However, some of the Code's recommendations have not been implemented or have been adapted for the reasons given below:

Recommendations of the AFEP/MEDEF Code	Explanations
Independent Board members Article 8.5: *"The criteria to be reviewed by the committee and the Board in order for a Board member to qualify as independent and to prevent risks of conflicts of interest between the Board member and the management, the Company, or the Group, are the following:* *"not to have been a director of the Company for more than 12 years".*	At its meeting on 4 June 2019, the Board of Directors re-examined the independence of Jacques-Étienne de T'Serclaes in light of the criteria set out in the AFEP/MEDEF Code. On this occasion, the Board noted that Jacques-Étienne de T'Serclaes fulfils all of the independence criteria established by the AFEP/MEDEF Code, except for that relating to the duration of his appointment. In effect, the AFEP/MEDEF Code recommends that Board members whose appointment exceeds 12 years no longer be considered as independent. The Board nevertheless considered that this criteria should be set aside for Jacques-Étienne de T'Serclaes. Jacques-Étienne de T'Serclaes performs no role, whether executive or otherwise, in a company that is consolidated within Rémy Cointreau. In addition, he is not an employee, executive officer or Board member of a company consolidated within Rémy Cointreau. Moreover, Jacques-Étienne de T'Serclaes, who is a well-known figure in the field of business, has performed management roles in major international groups that have no significant relationship with Rémy Cointreau, guaranteeing his professional and financial independence with respect to Rémy Cointreau. The various Board member appointments held by Jacques-Étienne de T'Serclaes also offer him perspective and a strategic overview which enhance discussions within the Rémy Cointreau Board of Directors. The objectivity and independence of mind that Jacques-Étienne de T'Serclaes has always demonstrated at Board meetings, together with his ability to defend his points of view forthrightly and with conviction, have been welcomed by other Board members and have, moreover, led to his appointment to the chairmanship of the Audit-Finance Committee. Lastly, Jacques-Étienne de T'Serclaes has, during his successive appointments as a Board member of Rémy Cointreau, acquired an in-depth knowledge of the Group and unquestionable experience that allow him to understand the challenges facing Rémy Cointreau, to appreciate all of their implications and, therefore, to contribute effectively to the work of the Board of Directors and solely in the interest of the Group. The exclusion of the criterion defining independence was also justified by the Company's special situation related to the new IFRS 9, 15, and 16, the tender selection procedure of a Principal Statutory Auditor and the transition of the Chair of the Audit-Finance Committee to Guylaine Saucier. For all of these reasons, the Board of Directors has concluded that Jacques-Étienne de T'Serclaes is independent.
Committees' mode of operation Article 14.3: *"Each committee must have internal rules setting out its duties and mode of operation. The committees' internal rules, which must be approved by the Board, may be integrated into the internal rules of the Board or be set out in separate provisions".*	Article 7.1 of the Board's internal regulations stipulates that the Audit-Finance Committee and the Nomination and Remuneration Committee may each have specific rules. Failing this, the provisions of Article 7.1 of the Board's internal regulations govern the powers and mode of operation of each of these committees. The Board of Directors adopted the latter solution, amending Article 7.1 of its internal regulations accordingly. The internal regulations are available on the Group's website.

3.2.7 Procedure for evaluating ordinary agreements entered into on arm's-length terms

The Board of Directors of 3 June 2020 approved the following methodology for qualifying the various agreements to which Rémy Cointreau SA is party as regulated agreements or ordinary agreements.

A. Ordinary agreement

Rémy Cointreau SA assesses the concept of an ordinary transaction with respect to its compliance with the corporate purpose of the company in question and the type of transaction. Repetition and/or practice are a presumption of ordinary nature, but are not themselves decisive.

With this in mind, the following will be taken into consideration:

- the fact that the transaction is identical to other transactions already performed by the company in question and relates to "ordinary" activity for the company in question;
- the circumstances surrounding the conclusion of the relevant agreement;
- the legal importance, economic consequences, and/or duration of the relevant agreement;
- standard practices for companies placed in a similar situation.

To assess this normal nature, Rémy Cointreau SA refers to a market price or generally accepted market conditions, taking into consideration the price but also all conditions under which the transaction is concluded (settlement deadlines, guarantees, etc.).

In principle, Rémy Cointreau SA qualifies as "agreements covering ordinary transactions entered into on arm's-length terms" intra-group agreements (relating to a defined list of transactions) and agreements with "low financial stakes" (unless the agreement is of a significant nature for the co-contracting stakeholders), whenever they are concluded under arm's-length conditions.

A non-exhaustive list has been drawn up on the basis of agreements regularly entered into by the Group as of this date, to be supplemented as the Group's practices evolve.

B. Regulated agreement

A "regulated agreement" means any agreement entered into between the Company, on the one hand, and, on the other:

- directly or through an intermediary, its Chief Executive Officer, one of its Deputy Chief Executive Officers, one of its Board members, one of its shareholders holding a fraction of voting rights greater than 10%, or, if a corporate shareholder, the company controlling it within the meaning of Article L. 233-3 of the French Commercial Code; or
- a third party in which one of the previously-mentioned parties is an indirect stakeholder; or
- an entity having a "common director" with the company.

Rémy Cointreau SA considers that an agreement is a regulated agreement if i) it is entered into between the company and stakeholders, pursuant to regulations and ii) it cannot be considered a free agreement or a prohibited agreement.

Transactions between stakeholders who are subject by regulations to a specific control procedure (separate from those of regulated agreements) fall outside the scope of regulated agreements.

The legal system for controlling regulated agreements has been noted.

3.3 Senior management and Executive Committee

At its meeting of 26 November 2019, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Éric Vallat as Chief Executive Officer for a term of three years, as of 1 December 2019.

Mr Vallat holds no appointments outside the Rémy Cointreau Group in any listed companies.

3.3.1 Role and powers of the Chief Executive Officer

The Chief Executive Officer oversees the general management of the Company and reports to the Board of Directors.

The Chief Executive Officer represents the Company in its dealings with third parties. He or she is vested with the broadest powers to act in any circumstances in the name of the Company, provided that his or her actions comply with the purpose of the Company and that they are not specifically assigned to the Shareholders' Meeting or the Board of Directors.

If the Chief Executive Officer is also a Board member, he or she may not hold more than two other directorships in listed companies outside the Group, including foreign companies, and may not accept the renewal of an external appointment if this would exceed that limit. The Chief Executive Officer shall also seek the Board's advice before accepting a new executive appointment in a listed company.

LIMITATIONS ON THE POWERS OF THE CHIEF EXECUTIVE OFFICER

In a purely internal measure, not binding on third parties, the Chief Executive Officer must seek the approval of the Board before committing the Company to transactions that are outside the scope of normal management decisions, particularly in respect of:

- granting sureties, pledges and guarantees, except under the conditions provided below;
- making acquisitions, transferring property titles or exchanging goods or property and making investments of more than €10 million per transaction;
- concluding any investment or joint business operation with other companies, either French or foreign;
- granting to any existing company a contribution in cash, in kind, in property or in benefit, in excess of €10 million per transaction;
- making the Company party to any economic interest grouping or other businesses, associations or partnerships, in France or abroad, by forming such groupings or assisting in their formation, by subscribing or contributing cash or benefits in kind, by purchasing shares, rights of ownership or other securities, and generally, under any form and for an amount in excess of €10 million per transaction;
- transferring ownership of investments for amounts in excess of €10 million per transaction;
- granting loans, credit and advance payments to corporate bodies outside the Rémy Cointreau Group for an amount in excess of €10 million per borrower;
- signing any loan or obtaining credit facilities, with or without pledges or other securities on Group assets, for an amount in excess of €50 million in the same financial year.

On 26 November 2019, the Board of Directors also authorised, for a period of one year, the Chief Executive Officer to grant sureties, pledges and guarantees in the name of the Company for a total amount non exceeding €50 million. Any commitment exceeding this ceiling requires the specific approval of the Board.

The Board of Directors also authorised the Chief Executive Officer to grant sureties, pledges and guarantees in the name of the Company to the tax and customs authorities for an unlimited amount.

3.3.2 Executive Committee

The Chief Executive Officer has also formed an Executive Committee, whose members were submitted to the Board for approval. The task of the Executive Committee is to assist the Chief Executive Officer on an ongoing basis with operational matters, in terms of both decision-making and implementation.

Its members at 31 March 2020 were:

- Mme Valérie Alexandre, Strategic Planning Director ;
- Marc-Henri Bernard, Group Human Resources Director;
- Simon Coughlin, Chief Executive Officer of the Whisky division;
- David Ennes, Chief Executive Officer Asia and GTR;
- Philippe Farnier, Chief Executive Officer of the House of Rémy Martin;
- Laurent Venot, Chief Executive Officer EMEA;
- Patrick Marchand, Executive Vice President Operations;
- Luca Marotta, Chief Financial Officer;
- Ian McLernon, Chief Executive Officer Americas;
- Jean-Denis Voin, Chief Executive Officer, Liqueurs & Spirits.

3.4 Additional information on the members of the Board of Directors and the Chief Executive Officer

ABSENCE OF CONVICTIONS

To the best of Rémy Cointreau's knowledge:

- there have been no convictions for fraud over the last five years against any members of the Board of Directors or the Chief Executive Officer;
- neither the Chairman, any members of the Board of Directors or the Chief Executive Officer have been party, over the past five years, to a bankruptcy, nor were assets impounded or liquidated while being a member of an administrative, management or supervisory body or serving as a Chief Executive Officer;
- no official public sanction and/or charge has been brought against any member of the Board of Directors, Chairman, or Chief Executive Officer by statutory or regulatory authorities, including designated professional bodies. Thus, neither the Chairman, Chief Executive Officer, nor any member of the Board of Directors has been subject to any statutory disqualification from acting as a member of an administrative body or being involved in the management of an issuer or its business affairs in the past five years.

NATURE OF ANY FAMILY RELATIONSHIPS BETWEEN CORPORATE OFFICERS

François and Marc Hériard Dubreuil are Dominique Hériard Dubreuil's brothers.

Laure Hériard Dubreuil is the daughter of Marc Hériard Dubreuil.

Marie-Amélie Jacquet is Dominique Hériard Dubreuil's daughter.

Élie Hériard Dubreuil is François, Marc and Dominique Hériard Dubreuil's nephew.

Caroline Bois is the daughter of François Hériard Dubreuil.

SIGNIFICANT BUSINESS RELATIONSHIPS WITH THE COMPANY OR ITS GROUP

To the best of Rémy Cointreau's knowledge, there are no significant business relationships between the Company or any of its subsidiaries and any members of the Board of Directors, its Chairman or the Chief Executive Officer.

A service provision agreement exists between Rémy Cointreau SA and Andromède SAS, as described in the paragraph on service agreements below. Treasury and current account agreements are also in place between Rémy Cointreau SA and Orpar SA, as mentioned in the Statutory Auditors' special report.

Dominique, François and Marc Hériard Dubreuil are Board members or officers of Andromède SAS and Orpar SA.

Caroline Bois, Marie-Amélie Jacquet and Élie Hériard Dubreuil are directors of Andromède SAS.

ABSENCE OF POTENTIAL CONFLICTS OF INTEREST

To the best of Rémy Cointreau's knowledge, there are no potential conflicts of interest between any duties to the issuer and the private interests and/or other duties of any members of the Board of Directors, the Chairman or the Chief Executive Officer.

SERVICE CONTRACTS BETWEEN MEMBERS OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

Neither the Chairman, the Chief Executive Officer, nor any member of the Board of Directors, as an individual, is bound to Rémy Cointreau or to any of its subsidiaries by a service contract providing for the granting of benefits at the end of the contract.

Since section 16.2 of regulation (EC) No. 809/2004 of 29 April 2004 requires information to be provided about service contracts between members of the administrative bodies and the issuer or any of its subsidiaries, it is noted that a service provision agreement was entered into on 31 March 2011 between Rémy Cointreau SA and Andromède SAS, of which Dominique Hériard Dubreuil and François and Marc Hériard Dubreuil are executive officers. This agreement is mentioned in section 1.5 of this report and in the Statutory Auditors' special report.

3.5 Remuneration

3.5.1 Principles and rules governing the remuneration and benefits paid to executive officers and Board members

The overall remuneration paid to executive and non-executive officers is set by the Board of Directors, which decides on the basis of recommendations issued by the Nomination and Remuneration Committee. The committee, composed of two independent Board members, ensures that each element of remuneration responds to a clear objective that is fully in line with the strategy and interests of the business.

Regardless of category of income, the objective of the Nomination and Remuneration Committee is to recommend an overall remuneration package that is both competitive and attractive. To that end, it draws on objective studies of the remuneration offered by companies comparable to Rémy Cointreau in the appropriate market, carried out by external experts.

The committee issues its recommendations on all the items comprising the overall remuneration, including:

- fixed remuneration:

  The fixed portion of remuneration is determined according to the responsibilities of the executive officers concerned.

  A survey is regularly carried out with the help of specialist consultancy firms to examine how the Company's executive remuneration structure compares with that of other SBF 120 companies;

- annual variable remuneration (bonus):

  For several years, the Board of Directors has defined a procedure for calculating the variable portion of executive remuneration so that it acts as an incentive while remaining fair. This procedure is based on ambitious quantitative and qualitative criteria that ensure that remuneration is in line with the Group's performance.

  This variable portion is expressed as a percentage of annual fixed remuneration. It can range from 0% to 100% if the quantitative and qualitative targets are reached (target level), or up to 155% in the case of exceptional financial performance exceeding the targets set. The criteria are regularly reviewed and modified from time to time. During the 2019/2020 financial year, the Board, on the recommendation of the Nomination and Remuneration Committee, reviewed the quantitative and qualitative criteria and selected the following elements.

QUANTITATIVE CRITERIA

Four quantitative criteria based on financial performance (equivalent to 50%):

- consolidated current operating profit;
- cash flow generation;
- consolidated net profit (excluding non-recurring items);
- ROCE (return on capital employed).

QUALITATIVE CRITERIA

Five qualitative criteria based on managerial and entrepreneurial skills (equivalent to 50%):

- transition towards a new organisation for the Europe-Middle/East-Africa region;
- strengthen direct customer sourcing;
- continuing the development of the flagship brands and identifying opportunities for external growth;
- achieving quantitative targets in the area of CSR;
- encouraging autonomy, initiative and creativity.

The criteria range from 0% to 15% of annual fixed remuneration, with the option of an overall assessment of the target achievement ranging from 100% to 130%. The Board of Directors conducts an annual performance review for each executive officer on the basis of the Nomination and Remuneration Committee's recommendations. The qualitative criteria are reviewed annually in line with the Group's strategic priorities. Due to the confidentiality of the Group's strategy, details of the qualitative objectives may only be disclosed at the end of each financial year.

- Exceptional remuneration:

  Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors retains the option of granting exceptional remuneration to the executive officer in the event that a major economic operation is particularly successful and sustainable over the long term, although only if this was not envisaged when the qualitative criteria for her annual variable remuneration were set.

- "Deferred" remuneration:
  - medium and long-term performance incentive plan;
  - the Board of Directors has introduced the principle of performance criteria (detailed in Table 5) as part of its policy for awarding bonus Performance shares;
  - supplementary defined-benefit pension plan:

  The objectives of the supplementary defined-benefit pension plan are to retain the loyalty of the executives concerned and to encourage long-term performance. The supplementary pension plan, set up and funded by the Company and managed by a third-party insurance company, involves the payment of an annuity calculated as a percentage of remuneration on the basis of length of service. Under the plan, payment of the annuity would be subject to continued employment at the time of retirement. The PACTE law of 22 May 2019 and the Order of 4 July 2019 obliged Rémy Cointreau to terminate the "Article 39" defined-benefit pension plans set up for senior management.

  Accordingly, these plans have been closed for new hires (since 4 July 2019) and the rights of the beneficiaries frozen as of 31 December 2019 taking into account their length of service as of said date.

  In addition, this law provides for the possibility to implement a new supplementary defined benefit pension plan, in accordance with a decree that has not yet been published.

  The new Chief Executive Officer will be eligible for this plan upon its implementation by the Group with retroactive effect from 1 January 2020.

  The Board of Directors will be called to review this scheme when the new plan is implemented by the Group. The performance conditions may be subject to change and will be submitted for approval at the next Shareholders' Meeting.
- Other benefits attached to the office of executive officers:
  - executive unemployment insurance in the absence of an employment contract with the Group;
  - Group defined-contribution pension plan;
  - life and disability policy;
  - healthcare plan.

The last three plans are allocated according to the criteria applicable to the employee category that the Company uses to decide on the benefits.

REMUNERATION OF THE NON-EXECUTIVE OFFICER

The Board of Directors sets the remuneration of the non-executive officer according to the terms proposed by the Nomination and Remuneration Committee, in line with the above-mentioned targets.

The Chairman of the Board of Directors received directors' fees in the amount of €50,000 from a controlled company, in respect of the 2018/2019 financial year. This public information was included in Rémy Cointreau's registration document. The Board decided to reincorporate this amount into the remuneration received by the Chairman of the Board of Directors as from 1 January 2020, thereby submitting the amount of this remuneration to shareholders for approval. Accordingly, the fixed remuneration of Mr Marc Hériard Dubreuil as Chairman amounts to €250,000 for a full year.

As Chairman of the Board of Directors, Marc Hériard Dubreuil did not receive annual or multi-year variable remuneration.

The lack of variable remuneration reflects the Chairman's independence from senior management.

Members of the Board of Directors receive Directors' fees, the total amount of which is set by the Shareholders' Meeting. The Board of Directors allocated Marc Hériard Dubreuil directors' fees totalling €37,800 for the year ended 31 March 2020, as part of the solidarity effort in view of the Covid-19 health crisis.

3.5.2 Remuneration of executive officers

Executive officers' remuneration is presented hereinafter in accordance with the principles of the AFEP/MEDEF Code.

It consists of gross remuneration and benefits in kind paid or contributed by the Company and companies controlled by it, or paid by controlling companies.

TABLE 1 – SUMMARY OF REMUNERATION, OPTIONS AND SHARES ALLOCATED TO EACH EXECUTIVE OFFICER

(in €)	2019/2020	2018/2019
Marc Hériard Dubreuil, Chairman of the Board of Directors		
Remuneration due in respect of the period (details in Table 2)	€291,082	€514,439
Value of options granted during the financial year	-	-
Value of Performance shares granted during the financial year	-	-
TOTAL	**€291,082**	**€514,439**
Valérie Chapoulaud-Floquet, in respect of her office as Chief Executive Officer for the period 1 April 2019 to 30 November 2019 and subsequent thereto		
Remuneration due in respect of the period (details in Table 2)	€1,049,004	€1,606,758
Value of options granted during the financial year	-	-
Value of Performance shares granted during the year (details in Table 6)	-	€743,220
TOTAL	**€1,049,004**	**€2,349,978**
Éric Vallat, Chief Executive Officer since 1 December 2019		
Remuneration due in respect of the period (details in Table 2)	€362,480	-
Value of options granted during the financial year	-	-
Value of Performance shares granted during the year (details in Table 6)	-	-
TOTAL	**€362,480**	**-**

TABLE 2 – SUMMARY OF REMUNERATION PAID TO EACH EXECUTIVE OFFICER

	2019/2020		2018/2019	
	Payable	Paid	Payable	Paid
Marc Hériard Dubreuil, Chairman of the Board of Directors				
Fixed remuneration(1)	€213,646	€213,646	€203,606	€203,606
Fixed remuneration – controlling companies	€39,636	€39,636	€220,833	€220,833
Annual variable remuneration	-	-	-	-
Multi-year variable remuneration	-	-	-	-
Exceptional remuneration	-	-	-	-
Directors' fees – Rémy Cointreau	€37,800	€42,000	€40,000	€40,000
Directors' fees – companies controlled by Rémy Cointreau	-	€50,000	€50,000	€50,000
Directors' fees – controlling companies	-	-	-	-
Benefits in kind (car)	-	-	-	-
TOTAL	**€291,082**	**€354,282**	**€514,439**	**€514,439**
Valérie Chapoulaud-Floquet, in respect of her office as Chief Executive Officer for the period 1 April 2019 to 30 November 2019 and subsequent thereto				
Fixed remuneration(2)	€500,403	€500,403	€739,973	€739,973
Annual variable remuneration(3)	€292,560	€718,483	€718,483	€721,620
Multi-year variable remuneration	-	-	-	-
Exceptional remuneration	-	€130,000	€130,000	€60,000
Remuneration – companies controlled by Rémy Cointreau(4)	€243,800	€243,800	-	-
Directors' fees	-	-	-	-
Benefits in kind	€12,241	€12,241	€18,302	€18,302
TOTAL	**€1,049,004**	**€1,604,927**	**€1,606,758**	**€1,539,895**
Éric Vallat, Chief Executive Officer since 1 December 2019				
Fixed remuneration(5)	€256,474	€256,474		
Annual variable remuneration	€100,000	-		
Multi-year variable remuneration	-	-		
Exceptional remuneration	-	-		
Directors' fees	-	-		
Benefits in kind	€6,006	€6,006		
TOTAL	**€362,480**	**€262,480**		

(1) On an annual basis, the annual gross fixed remuneration paid in 2019/2020 includes a gross fixed salary of €200,000 for the period from 1 April 2019 to 31 December 2019 increased to €250,000 as from 1 January 2020, in accordance with the Board of Directors' decision to reincorporate directors' fees paid by a controlled company and related contributions.

(2) On an annual basis, the gross annual fixed remuneration paid in 2019/2020 includes a gross fixed salary of €631,400, a gross impatriation premium of €100,000 and related contributions linked to surplus employer contributions towards the supplementary pension plan (Article 83) and employer contributions towards the life and disability policy. These amounts were paid prorata temporis for the duration of the term of office in the financial year.

(3) Annual variable remuneration is based on the targets described in section 3.5.1. If all targets are achieved, this variable remuneration can represent 100% of the fixed annual salary (or up to 155% in the case of exceptional financial performance exceeding the targets set).

(4) On a prorata basis in respect of an employment contract with the company controlled by Rémy Cointreau (Rémy Cointreau International Ltd.). Amount translated into euros based on an exchange rate of EUR 1 = SGD 1.59.

(5) On an annual basis, the gross annual fixed remuneration paid in 2019/2020 includes a gross fixed salary of €750,000 and related contributions linked to surplus employer contributions towards the supplementary pension plan (Article 83) and employer contributions towards the life and disability policy. These amounts were paid prorata temporis for the duration of the term of office in the financial year.

TABLE 3 - REMUNERATION RECEIVED BY NON-EXECUTIVE CORPORATE OFFICERS

See Table in 3.5.3 Remuneration of Board Members

TABLE 4 – STOCK OPTIONS GRANTED DURING THE FINANCIAL YEAR TO EACH EXECUTIVE OFFICER BY THE ISSUER AND BY ALL GROUP COMPANIES

None.

TABLE 5 – STOCK OPTIONS EXERCISED DURING THE FINANCIAL YEAR BY EACH EXECUTIVE OFFICER

None.

TABLE 6 – PERFORMANCE SHARES GRANTED DURING THE FINANCIAL YEAR TO EACH EXECUTIVE OFFICER BY THE ISSUER AND BY ALL GROUP COMPANIES

In an effort to show solidarity amid the Covid-19 health crisis, the grant originally planned for the 2019/2020 financial year was postponed indefinitely.

TABLE 7 – PERFORMANCE SHARES THAT VESTED DURING THE FINANCIAL YEAR FOR EACH EXECUTIVE OFFICER

Valérie Chapoulaud-Floquet, Chief Executive Officer from 1 April 2019 to 30 November 2019.

Company Rémy Cointreau	
Date of authorisation by the Shareholders' Meeting	24 July 2014
Details of the plan	PAG 22.11.2016
Date of the Board of Directors' meeting	26 November 2019
Number of shares vested	8,900
Vesting date	22 November 2019
End of holding period	22 November 2021
Acquisition conditions	Presence within the Company on the vesting date and growth in the Rémy Cointreau TSR compared to a panel of 9 companies in the Luxury Goods and/or Spirits sectors.

TABLE 8 – HISTORY OF STOCK OPTIONS AND OTHER INSTRUMENTS GIVING ACCESS TO THE CAPITAL (EQUITY WARRANTS, REDEEMABLE EQUITY WARRANTS, WARRANTS FOR SUBSCRIPTION TO BUSINESS CREATOR SHARES, ETC.)

Plans of this type no longer exist.

TABLE 9 – STOCK OPTIONS GRANTED TO THE TOP TEN BENEFICIARIES OTHER THAN CORPORATE OFFICERS

Plans of this type no longer exist.

TABLE 10 – HISTORY OF PERFORMANCE SHARE AWARDS

	2017 Plan[(1)]	2019 Plan[(1)]
Date of authorisation by the Shareholders' Meeting	26 July 2016	24 July 2018
Date of Board of Directors' meeting	21 November 2017	17 January 2019
Total number of shares awarded	50,900	57,450
Of which corporate officers (Valérie Chapoulaud-Floquet)[(2)]	6,500	9,000
Share vesting date	21 November 2020	17 January 2023
End of holding period	21 November 2022	17 January 2023
Performance conditions	[(1)]	[(1)]
Number of shares vested as of 31 March 2020	-	-
Aggregate number of lapsed Performance shares	9,750	10,875
Number of awarded Performance shares outstanding at year-end	41,150	46,575

*(1) The terms and conditions of the plans are set out in note **11.3** to the consolidated financial statements.*
(2) In accordance with Article 24.3.3 of the AFEP/MEDEF Corporate Governance Code for listed companies, the corporate officer has committed not to carry out risk hedging transactions on bonus Performance shares. As regards the capital allocated in the form of Performance shares, the amount corresponds to 0.03% of the share capital.

Preformance shares granted during the year to the ten non-corporate officer employees of the Group who received the highest number of shares

Company granting shares	Date of the plans	Total number of shares	Final vesting date	Date of availability
Rémy Cointreau	21/11/2017	22,700	21/11/2020	21/11/2022
Rémy Cointreau	17/01/2019	24,775	17/01/2023	17/01/2023

The Group has not issued any other options giving access to the securities reserved for executive officers or for the top ten beneficiaries of the issuer and any company included in the scope of the option grant.

Prefomance shares vested during the year to the ten non-corporate officer employees of the Group who received the highest number of shares

Company granting shares	Date of the plans	Total number of shares	Final vesting date	Date of availability
Rémy Cointreau	22/11/2016	35,300	22/11/2019	22/11/2021

TABLE 11 – CONTRACTS RELATING TO EXECUTIVE OFFICERS

	Employment contract	Supplementary pension plan	Indemnities or benefits payable or likely to become payable due to cessation of or change in function	Compensation for a non-compete clause
Marc Hériard Dubreuil	**NO**	**NO**(1)	**NO**	**NO**
Chairman of the Board of Directors				
Date first appointed: 1 October 2017, term renewed by the Board of Directors on 24 July 2019				
Date appointment as Chairman expires: Shareholders' Meeting called to approve the 2021/2022 financial statements				
Valérie Chapoulaud-Floquet	**NO**	**YES**(2)	**YES**(3)	**YES**(4)
Chief Executive Officer				
Date first appointed: 27 January 2015, renewed on 17 January 2018 with effect from 27 January 2018				
Date appointment expired: 30 November 2019				
Éric Vallat	**NO**	**YES**(5)	**YES**(6)	**YES**(7)
Chief Executive Officer				
Date first appointed: 1 December 2019				
Date appointment expires: 30 November 2022				

(1) *Marc Hériard Dubreuil exercised his pension rights under the general scheme on 30 September 2018. Since that date, he has no longer been eligible for a collective defined-contribution pension scheme under Article L. 242-1 of the French Social Security Code. The Company's commitment was limited to paying the premium to the insurance company that manages the scheme. For the same reason, he has not been eligible for a defined-contribution pension scheme under Article L. 137-11 of the French Social Security Code, which was funded by Andromède. This scheme stipulated payment of an annuity based on the average yearly remuneration for 12 months' gross salary in the preceding 24 months.*

(2) *Like all Group executives based in France, Valérie Chapoulaud-Floquet is eligible for a supplementary pension plan (Article 39 of the French General Tax Code). The aim of the plan is to retain the key talent concerned and encourage long-term performance. Valérie Chapoulaud-Floquet was eligible for this supplementary pension plan, set up and funded by the Company and managed by a third-party insurance company. This supplementary pension plan stipulates a seniority condition of at least five years within the Company as a "senior executive" manager. This system provides for the payment of an annuity, the value of which, expressed as a percentage of remuneration, is based on the executives' seniority. The payment of the annuity will become effective only once the beneficiary has applied for his/her pension entitlements from the compulsory French Social Security Pension Scheme, and only provided that he/she has made a sworn statement to the effect that he/she has not undertaken any professional activity. The PACTE law of 22 May 2019 and an Order of 4 July 2019 imposed the closing of the "Article 39" defined-benefit pension plans in place at Rémy Cointreau for senior management. This plan has thus been closed for new hires (since 4 July 2019) and the rights of the beneficiaries frozen. Accordingly, Ms Valérie Chapoulaud-Floquet's rights were frozen as of 30 November 2019 taking into account her length of service as of said date.*

(3) *Valérie Chapoulaud-Floquet could receive a termination payment equivalent to two years' remuneration (including fixed salary, impatriation premium and last annual bonus) prior to the date of the revocation or non-renewal of her corporate office. Given the resignation of Ms Valérie Chapoulaud-Floquet, the Board of Directors did not implement this provision.*

(4) *Ms Valérie Chapoulaud-Floquet was subject to a non-compete clause which prohibits her from working for a competitor for a period of one year. The Board of Directors, at its meeting of 23 July 2019, on the recommendation of the Nomination and Remuneration Committee, decided to implement this provision, on the basis that her recognised skills could be used by a competitor. In this respect, Ms Valérie Chapoulaud-Floquet is subject to a 12-month non-compete obligation for which she will receive a non-compete payment equal to 12 months of her fixed and variable remuneration (including exceptional remuneration received for 2018/2019), corresponding to a total amount of €1,579,883.*

(5) *The objectives of the supplementary defined-benefit pension plan are to retain the loyalty of the executives concerned and to encourage long-term performance. The supplementary pension plan, set up and funded by the Company and managed by a third-party insurance company, involves the payment of an annuity calculated as a percentage of remuneration on the basis of length of service. The plan stipulated that the payment of the annuity would be subject to continued employment at the time of retirement. The PACTE law of 22 May 2019 and the Order of 4 July 2019 obliged Rémy Cointreau to terminate the "Article 39" defined-benefit pension plans set up for senior management. Accordingly, these plans have been closed for new hires (since 4 July 2019) and the rights of the beneficiaries frozen as of 31 December 2019 taking into account their length of service as of said date.*

In addition, this law provides for the possibility to implement a new supplementary defined benefit pension plan, in accordance with a decree that has not yet been published. Mr Éric Vallat will be eligible for this plan upon its implementation with a retroactive effect from 1 January 2020. The Board of Directors will be called to review this scheme when the new plan is implemented by the Group. The performance conditions may be subject to change and will be submitted for approval at the next Shareholders' Meeting.

(6) *Mr Éric Vallat will receive a termination payment equivalent to twenty-four months' remuneration (including fixed salary and annual bonus) prior to the date of the revocation or non-renewal of the corporate office.*

The termination payment will only be made in the event of forced departure. It will not be due where there are serious grounds or misconduct or in the event of business failure.

In the event of business failure, the Board of Directors may be fully or partially exempt from paying the termination benefit. The business situation will be assessed based on the results measured at the end of the previous two financial years. The business is deemed to have failed if the aggregate operating profit for the previous two financial years is less than €250 million. Actual payment of this benefit is subject to the performance criteria defined below:

Quantitative performance criteria: if the quantitative results, validated by the Board of Directors and serving as a basis for the calculation of the bonus of Executive Committee members, are less than 75% of the budgetary targets, no compensation will be payable.

If the quantitative results, validated by the Board of Directors and serving as a basis for the calculation of the bonus of Executive Committee members, equal 75% or more of the budgetary targets, the compensation paid will be equivalent to two years' gross remuneration multiplied by the percentage used (maximum 100%). For example, if the percentage used is 87.5%, the compensation will be equal to 21 months. The percentage used to calculate the compensation is the average percentage of the previous two financial years.

Qualitative performance criterion: the Board of Directors may adjust the amount of the bonus, expressed as a percentage of gross annual remuneration and calculated according to the quantitative criteria, based on the next results measured against a qualitative criterion. For this, the Board takes the Company's corporate social responsibility rating from, in particular Vigéo, or any other environmental rating agency into consideration. The final compensation amount is limited to 24 months' remuneration as defined above.

(7) *Éric Vallat is subject to a non-compete clause which prohibits him from working for a competitor for a period of one year. This clause, which may be waived by the Board of Directors, will be accompanied by a gross monthly flat-rate indemnity corresponding to 100% of the average gross monthly basic remuneration received over the last twelve (12) months preceeding the date on which the term of office is terminated. The termination payment and non-compete compensation will be capped at two years' pay, as explained above.*

3.5.3 Remuneration of Board members

BOARD MEMBERS' FEES AND OTHER REMUNERATION RECEIVED BY NON-EXECUTIVE OFFICERS

The total amount of Directors' fees put to a vote by the shareholders is subject to a regular review of the practices adopted by French groups of a similar scale and international dimension to Rémy Cointreau.

Directors' fees are allocated by the Board of Directors on the following basis:

- a fixed portion defined on an annual basis;
- a variable portion commensurate with each Board member's attendance at Board and Committee meetings. On 25 November 2014, the Board of Directors decided to make the payment of attendance fees contingent on a minimum attendance requirement. The amount of Directors' fees will therefore be reduced by 30% if members miss more than one in three meetings;
- an additional fixed portion may also be allocated to the Chairman of the Board and committee Chairmen.

In view of the Covid-19 health crisis, the members of the Board of Directors agreed to reduce their amount of directors' fees by 10% paid in respect of the 2019/2020 financial year paid in 2020-2021.

		2019/2020	2018/2019
Board members			
Dominique Hériard Dubreuil	Directors' fees – Rémy Cointreau	€40,500	€43,000
	Other remuneration – controlling company	€15,000	-
	Other remuneration – controlled companies	-	€5,000
Marc Hériard Dubreuil	Directors' fees – Rémy Cointreau	€37,800	€40,000
	Other remuneration – controlling company	€39,500	€203,606
	Other remuneration – controlled companies	-	€50,000
François Hériard Dubreuil	Directors' fees – Rémy Cointreau	€37,800	€40,000
	Other remuneration – controlling company	€236,346	€471,924
	Other remuneration – controlled companies	-	-
Marie-Amélie Jacquet[(1)]	Directors' fees – Rémy Cointreau	€31,500	
	Other remuneration – controlling company	€210,000	
	Other remuneration – controlled companies	-	-
Jacques-Étienne de T'Serclaes		€40,950	€50,000
Bruno Pavlovsky		€41,400	€28,000
Laure Hériard Dubreuil		€37,800	€28,000
Florence Rollet		€12,600	€40,000
Yves Guillemot		€14,400	€47,000
Olivier Jolivet		€37,800	€40,000
Guylaine Dyèvre		-	€40,000
Emmanuel de Geuser		€37,800	€40,000
Guylaine Saucier		€44,100	-
Hélène Dubrule		€25,200	-
ORPAR		€37,800	€40,000
Non-voting members			
Élie Hériard Dubreuil		€18,900	-
Caroline Bois		€12,600	-

(1) Marie-Amélie Jacquet was appointed as Board member by the Shareholders' Meeting of 24 July 2018.

3.5.4 Elements of remuneration payable to executive and non-executive officers for 2019/2020, subject to shareholder approval (say on pay)

ELEMENTS OF REMUNERATION DUE OR ALLOCATED TO MARC HÉRIARD DUBREUIL, CHAIRMAN OF THE BOARD OF DIRECTORS FROM 1 OCTOBER 2017, IN RESPECT OF THE 2019/2020 FINANCIAL YEAR

Elements of remuneration due or attributed in respect of the 2019/2020 financial year	Amounts or accounting valuation submitted to the vote	Comments
Fixed remuneration	Proposal: €212,500 (amount paid)	The Chairman of the Board of Directors received fixed remuneration of €200,000, unchanged compared with the previous financial year. In addition he received directors' fees from a controlled company in the amount of €50,000. This public information was included in Rémy Cointreau's registration document. At its meeting on 26 November 2019, the Board decided to reincorporate this amount on a *prorata* basis into the remuneration received by the Chairman of the Board of Directors as from 1 January 2020, thereby submitting the amount of this remuneration to shareholder approval. Accordingly, the fixed remuneration paid to Mr Marc Hériard Dubreuil as Chairman amounted to a total €212,500 in 2019/2020. Moreover, the controlled company did not pay any directors' fees in 2019/2020.
Annual variable remuneration	n/a	-
Deferred variable remuneration	n/a	-
Multi-year variable remuneration	n/a	-
Exceptional remuneration	n/a	-
Long-term remuneration: stock options	n/a	-
Long-term remuneration: Performance shares	n/a	-
Long-term remuneration: other items	n/a	-
Directors' fees	€37,800	The initial amount of €42,000 was reduced for solidarity reasons due to the Covid-19 health crisis.
Valuation of benefits of any kind	n/a	-
Termination payment	n/a	-
Non-compete compensation	n/a	-
Supplementary pension plan	n/a	-
Life and disability policies, (death, disability and incapacity for work)	€3,954	Life and disability policy (death, disability and incapacity for work): Marc Hériard Dubreuil is also eligible for the Group disability, death and incapacity for work scheme. The remuneration used to calculate the contributions is capped at eight times the annual ceiling applicable in France for incapacity, disability and death benefits. The employer contribution rate is 1.97% on bracket A and 2.25% on brackets B and C. This is subject to change in accordance with the contractual provisions. The Company's liability is limited to the payment of contributions to the insurance company that manages the plan.

ELEMENTS OF REMUNERATION DUE OR ALLOCATED TO VALÉRIE CHAPOULAUD-FLOQUET, CHIEF EXECUTIVE OFFICER, IN RESPECT OF THE 2019/2020 FINANCIAL YEAR FOR THE PERIOD OF HER TERM OF OFFICE FROM 1 APRIL TO 30 NOVEMBER 2019

Elements of remuneration due or attributed in respect of the 2019/2020 financial year	Amounts or accounting valuation submitted to the vote	Comments
Fixed remuneration	€487,600 (amount paid *pro rata temporis*) (see [2] of Table 2 "Summary of remuneration paid to each executive officer")	On an annual basis, the annual gross fixed remuneration comprises a gross fixed salary of €631,4000 and a gross impatriation premium of €100,000. The amount of the impatriation premium has remained unchanged since 2015.
Annual variable remuneration	€292,560	The variable portion of Valérie Chapoulaud-Floquet's remuneration corresponds to a percentage of the fixed portion, *prorata temporis* for the period of her term of office in the 2019/2020 financial year. This could reach 100% if all performance targets are met and may not exceed 155%. The Board of Directors made sure that the criteria used to calculate the variable portion of the Chief Executive Officer's remuneration are such that her interests are aligned with those of the Company and shareholders. At its meeting on 3 June 2020, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, estimated that the level of achievement of the quantitative criteria was 0% and the level of achievement of the qualitative criterion was 60%, including a criterion related to the Group's corporate social responsibility policy, representing 5.7%. Consequently, the variable remuneration for the 2019/2020 financial year, paid in the 2020/2021 financial year, is 60% of the fixed portion paid, *i.e.* €292,560 (compared with 98.2% of the fixed portion, *i.e.* €718,483 for 2018/2019).
Deferred variable remuneration	n/a	-
Multi-year variable remuneration	n/a	-
Exceptional remuneration	n/a	-
Long-term remuneration: stock options	n/a	-
Long-term remuneration: Performance shares	n/a	-
Long-term remuneration: other components	n/a	-
Directors' fees	n/a	-
Valuation of benefits in kind	€12,241 (*pro rata temporis*)	This benefit in kind corresponds to the provision of a company car and coverage of maintenance, insurance and running costs, as well as the contribution to a benefits scheme for managers and senior executives on a prorata basis according to his time in office during the 2019/2020 financial year.
Termination payment	No payment	Ms Valérie Chapoulaud-Floquet could receive a termination payment equivalent to two years' remuneration (including fixed salary, impatriation premium and last annual bonus) prior to the date of the revocation or non-renewal of her corporate office. The Board of Directors did not implement this provision upon the end of office of Ms Valérie Chapoulaud-Floquet.

Elements of remuneration due or attributed in respect of the 2019/2020 financial year	Amounts or accounting valuation submitted to the vote	Comments
Non-compete indemnity	€1,579,883	Ms Valérie Chapoulaud-Floquet was subject to a non-compete clause which prohibits her from working for a competitor for a period of one year. The Board of Directors, at its meeting of 23 July 2019, on the recommendation of the Nomination and Remuneration Committee, decided to implement this provision, on the basis that her recognised skills could be used by a competitor. In this respect, Ms Valérie Chapoulaud-Floquet is subject to a 12-month non-compete obligation for which she will receive a non-compete payment equal to 12 months of her fixed and variable remuneration (including exceptional remuneration received for 2018/2019), corresponding to a total amount of €1,579,883.
Supplementary pension plan	€82,559	Ms Valérie Chapoulaud-Floquet was eligible for the supplementary Group pension plan set up for the Group's senior management. The supplementary pension plan includes (i) a defined-contribution Group plan and (ii) an add-on defined-benefit Group plan. This was ratified by the Shareholders' Meeting of 29 July 2015 (eighth resolution). (i) Defined-contribution plan pursuant to Article L. 242-1 of the French Social Security Code: • Ms Valérie Chapoulaud-Floquet was eligible for a defined-contribution plan, which equates to 8% of the annual remuneration representing between one and eight times the annual ceiling on social security contributions paid by the Company. • The Company's liability was limited to the payment of contributions to the insurance company that manages the plan. (ii) Top-hat conditional Group defined-benefit plan ("Article 39") pursuant to Article L. 137-11 of the French Social Security Code. The aim of the plan is to retain the key talent concerned and encourage long-term performance. Ms Valérie Chapoulaud-Floquet is eligible for this supplementary pension plan, set up and funded by the Company and managed by a third-party insurance company. This supplementary pension plan stipulates a length of service condition of at least five years within the Company as a senior executive manager. This system provides for the payment of an annuity, the value of which, expressed as a percentage of remuneration, is based on the executives' length of service. The payment of the annuity will become effective only once the beneficiary has applied for his/her pension entitlements from the compulsory French Social Security Pension Scheme, and only provided that he/she has made a sworn statement to the effect that he/she has not undertaken any professional activity since the termination of his/her employment contract with the Rémy Cointreau Group. The PACTE law of 22 May 2019 and the Order of 4 July 2019 obliged Rémy Cointreau to terminate the "Article 39" defined-benefit pension plans set up for senior management. This plan has been closed for new hires (since 4 July 2019) and the rights of the beneficiaries frozen. Accordingly, Ms Valérie Chapoulaud-Floquet's rights were frozen as of 30 November 2019 in accordance with Article L. 225-42-1 of the French Commercial Code, taking into account the vesting of additional pension rights subject to performance conditions that are identical to those for the variable remuneration. The Company's commitments towards its Chief Executive Officer as at 31 March 2020, based on her length of service at 30 November 2019, are as follows: • €17,290 *per annum* under the defined-contribution pension plan (as at 31 March 2020). This amount corresponds to the contributions paid by the Company to the insurer in respect of the term of office in the last financial year ended; • €65,269 in gross annual pension under the supplementary defined-benefit pension plan. This estimate has been validated independently by Deloitte Conseil.

Remuneration due or attributed in respect of the 2019/2020 financial year	Amounts or accounting valuation submitted to the vote	Comments
Life and disability policy (death, disability and incapacity for work) and healthcare plans	€5,509 (accounting valuation)	In respect of the duration of the term of office in the financial year ended, Ms Valérie Chapoulaud-Floquet is eligible for the Group life and disability policies and healthcare plans set up within the Group for all employees. These plans comprise i) a death, disability and incapacity for work plan, and ii) a healthcare plan. (i) Life and disability policy (death, disability and incapacity for work): Ms Valérie Chapoulaud-Floquet is eligible for the Group disability, death and incapacity for work plan. The remuneration used to calculate the contributions is capped at eight times the annual ceiling applicable in France for incapacity, disability and death benefits. The employer contribution rate is 1.97% on bracket A and 2.25% on brackets B and C. This is subject to change in accordance with the contractual provisions. The Company's liability is limited to the payment of contributions to the insurance company that manages the plan. (ii) Healthcare plan: Ms Valérie Chapoulaud-Floquet is also eligible for the Group health insurance plan. The remuneration taken into account to calculate the contributions is capped at the annual social security ceiling. The employer contribution rate is 2.67% on bracket A, subject to change in accordance with the contractual provisions. The Company's liability is limited to the payment of contributions to the insurance company that manages the plan.

REMUNERATION COMPONENTS DUE OR ALLOCATED TO MS VALÉRIE CHAPOULAUD-FLOQUET, WHOSE TERM OF OFFICE ENDED DURING THE LAST FINANCIAL YEAR, BY A COMPANY INCLUDED IN THE SCOPE OF CONSOLIDATION, WITHIN THE MEANING OF ARTICLE L. 233-16, IN ACCORDANCE WITH ARTICLE L. 225-37-3 OF THE FRENCH COMMERCIAL CODE

Elements of remuneration due or allocated in respect of the 2019/2020 financial year	Amounts or accounting valuation submitted to the vote	Comments
Remuneration paid by Rémy Cointreau International Pte Ltd. for the period from 1 December 2019 to 31 March 2020.	€243,800(1)	Since 1 December 2019, Ms Valérie Chapoulaud-Floquet has worked on a full time basis at Rémy Cointreau International Pte Ltd., the Singapore subsidiary of the Rémy Cointreau Group, as Group Spokesperson/Senior Advisor Corporate Culture, under a permanent employment contract signed on the same date. In respect of this contract, Ms Valérie Chapoulaud-Floquet is based in Singapore and fulfils representation duties to contribute to the influence and appeal of Rémy Cointreau in the major Asian universities. This contract was concluded in order to continue to draw on Ms Valérie Chapoulaud-Floquet's skills and expertise in a region with the most significant growth targets for the Group.
Remuneration allocated by Rémy Cointreau International Pte Ltd.	€1,491,200(1)	Since March 2020, the arrival of the Covid-19 pandemic has made it impossible to fulfill these duties and discussions were held between the parties about the necessity to terminate this contract. A transaction protocol was signed between Rémy Cointreau International Pte Ltd. and Ms Valérie Chapoulaud-Floquet in order to formalise the arrangements for the termination of the contract and avoid any risk of dispute in this respect before the Singapore jurisdictions. Under this agreement, the effective termination date of the contract was set at 30 November 2020 and Ms Valérie Chapoulaud-Floquet was placed on gardening leave as of 6 March 2020, in accordance with Singaporean law. Accordingly, Ms Valérie Chapoulaud-Floquet will remain a Rémy Cointreau International Pte Ltd. employee until 30 November 2020 and available to respond to any requests from its executives that require her expertise. Moreover, the parties agreed that Ms Valérie Chapoulaud-Floquet would receive, in full, all amounts that were initially due under this employment contract. Because she moved for the purpose of this position, the guarantee for a continued contractual relationship for at least one year was a key aspect of the employment contract. In addition, the early termination of this employment contract in these circumstances, conferred entitlement, in any case, to request full payment of the amount due under Singaporean law. Both these aspects were taken into account when determining the amount of the payment.

(1) Amount translated into euros based on an exchange rate of EUR 1 = SGD 1.59.

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ELEMENTS OF REMUNERATION DUE OR ALLOCATED TO ÉRIC VALLAT, CHIEF EXECUTIVE OFFICER, IN RESPECT OF THE 2019/2020 FINANCIAL YEAR

Elements of remuneration due or allocated in respect of the 2019/2020 financial year	Amounts or accounting valuation submitted to the vote	Comments
Fixed remuneration	€250,000 (amount paid) (see [2] of Table 2 "Summary of remuneration paid to each executive officer")	On an annual basis, the annual gross fixed remuneration comprises a gross fixed salary of €750,000.
Annual variable remuneration	€100,000	The variable portion of Mr Éric Vallat's remuneration corresponds to a percentage of the fixed portion, prorated to the length of his term of office in 2019/2020. This could reach 100% if all performance targets are met, and may not exceed 155%. The Board of Directors made sure that the criteria used to calculate the variable portion of the Chief Executive Officer's remuneration are such that her interests are aligned with those of the Company and shareholders. At its meeting on 3 June 2020, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, estimated that the level of achievement of the quantitative criteria was 0% and for the qualitative criteria it was 60%. This includes a criterion linked to the Group's corporate social responsibility policy, which accounts for 5.7%. Consequently, the variable remuneration for the 2019/2020 financial year, paid in the 2020/2021 financial year, is 60% of the fixed portion, *i.e.* €150,000 capped at €100,000 as per Mr Éric's Vallat request, for solidarity reasons due to the Covid-19 health crisis. Consequently this amount represents 40% of the fixed portion.
Deferred variable remuneration	n/a	-
Multi-year variable remuneration	n/a	-
Exceptional remuneration	n/a	-
Long-term remuneration: stock options	n/a	-
Long-term remuneration: Performance shares	n/a	In an effort to show solidarity amid the Covid-19 health crisis, the grant originally planned for the 2019/2020 financial year was postponed indefinitely.
Long-term remuneration: other items	n/a	-
Directors' fees	n/a	-
Valuation of benefits of any kind	€6,006	This benefit in kind corresponds to the provision of a company car and coverage of maintenance, insurance and running costs, as well as the contribution to a benefits scheme for managers and senior executives.

Elements of remuneration due or allocated in respect of the 2019/2020 financial year	Amounts or accounting valuation submitted to the vote	Comments
Termination payment	No payment	At its meeting on 26 November 2019, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, authorised the commitments made to the Chief Executive Officer relating to termination payments, in accordance with Article L. 225-42-1 of the French Commercial Code. This decision will be submitted for approval to the Shareholders' Meeting of 23 July 2020 (sixth resolution). Éric Vallat will receive a termination payment equivalent to two years' remuneration (including fixed salary and last annual bonus) prior to the date of the revocation or non-renewal of his corporate office. The termination payment will only be made in the event of forced departure. It will not be due where there are serious grounds or misconduct or in the event of business failure. In the event of business failure, the Board of Directors may be fully or partially exempt from paying the termination benefit. The business situation will be assessed based on the results measured at the end of the previous two financial years. The business is deemed to have failed if the aggregate operating profit for the previous two financial years is less than €250 million. Actual payment of this benefit is subject to the performance criteria defined below: <u>Quantitative performance criteria</u> If the quantitative results, validated by the Board and serving as a basis for the calculation of the bonus of Executive Committee members, are less than 75% of the budgetary targets, no compensation will be payable. If the quantitative results, validated by the Board and serving as a basis for the calculation of the bonus of Executive Committee members, equal 75% or more of the budgetary targets, the compensation paid will be equivalent to two years' gross remuneration multiplied by the percentage used (maximum 100%). For example, if the percentage used is 87.5%, the compensation will be equal to 21 months. The percentage used to calculate the compensation is the average percentage of the previous two financial years. <u>Qualitative performance criterion</u> The Board of Directors may adjust the amount of the bonus, expressed as a percentage of gross annual remuneration and calculated according to the quantitative criteria, based on the next results measured against a qualitative criterion. For this, the Board takes the Company's corporate social responsibility rating with the Vigéo ratings agency into consideration. The final compensation amount is limited to 24 months' remuneration as defined above.
Non-compete compensation	No payment	At its meeting on 26 November 2019, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, decided, in accordance with Article L. 225-42-1 of the French Commercial Code, to authorise the commitments made to the Chief Executive Officer relating to non-compete compensation between the Company and the Chief Executive Officer. This decision will be submitted for the approval of the Shareholders' Meeting of 23 July 2020 (sixth resolution). Mr Éric Vallat is subject to a non-compete clause which prohibits him from working for a competitor for a period of one year from the termination of his office. This clause may be waived by the Board and will be accompanied by gross monthly non-compete compensation equivalent to 100% of the average gross monthly basic remuneration received over the twelve (12) months preceeding the date on which the term of office is terminated. The termination payment and non-compete compensation will be capped at two years' pay, as explained above. In the event of a breach of this non-compete clause, the Company will be entitled to claim damages.

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Elements of remuneration due or allocated in respect of the 2019/2020 financial year	Amounts or accounting valuation submitted to the vote	Comments
Supplementary pension plan	€8,743	At its meeting on 26 November 2019, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, authorised, in accordance with Article L. 225-42-1 of the French Commercial Code, the commitments made to the Chief Executive Officer relating to the supplementary pension plan. Mr Éric Vallat will be eligible for the supplementary Group pension plan set up for the Group's senior management. The supplementary pension plan includes (i) a defined-contribution Group plan and (ii) a top-hat defined-benefit Group plan, to be voted on at the Shareholders' Meeting of 23 July 2020. (i) Defined-contribution plan pursuant to Article L. 242-1 of the French Social Security Code: Mr Éric Vallat is eligible for a defined-contribution plan, which equates to 8% of the annual remuneration representing between one and eight times the annual ceiling on social security contributions paid by the Company. The Company's liability is limited to the payment of contributions to the insurance company that manages the plan. (ii) Top-hat conditional Group defined-benefit plan ("Article 39") pursuant to Article L. 137-11-2 of the French Social Security Code. The aim of the plan is to retain the key talent concerned and encourage long-term performance. Like all Group executives based in France The supplementary pension plan, set up and funded by the Company and managed by a third-party insurance company, involves the payment of an annuity calculated as a percentage of remuneration on the basis of length of service. The PACTE law of 22 May 2019 and the Order of 4 July 2019 obliged Rémy Cointreau to terminate the "Article 39" defined-benefit pension plans set up for senior management. These plans have therefore been closed to new entrants since 4 July 2019. In addition, this law provides for the possibility to implement a new supplementary defined benefit pension plan, in accordance with a decree that has not yet been published. The new Chief Executive Officer will be eligible for this plan upon its implementation by the Group with retroactive effect from 1 January 2020. The Board of Directors will be called upon to review this arrangement when the new plan is implemented by the Group. The performance conditions may be subject to change and will be submitted for approval at the next Shareholders' Meeting. The Company's commitment to its Chief Executive Officer, based on the length of service at 31 March 2020, is €8,743 on a *prorata* basis under the defined-contribution pension scheme. This amount corresponds to the contributions paid by the Company to the insurer for the last financial year.

Elements of remuneration due or allocated in respect of the 2019/2020 financial year	Amounts or accounting valuation submitted to the vote	Comments
Life and disability policies (death, disability and incapacity for work) and healthcare plans	€2,785	Mr Éric Vallat is eligible for the Group life and disability policies and healthcare plans set up within the Group for all employees. These plans comprise i) a death, disability and incapacity for work plan, and ii) a healthcare plan. (i) Life and disability policy (death, disability and incapacity for work): Mr Éric Vallat is also eligible for the Group disability, death and incapacity for work insurance scheme. The remuneration used to calculate the contributions is capped at eight times the annual ceiling applicable in France for incapacity, disability and death benefits. The employer contribution rate is 1.97% on bracket A and 2.25% on brackets B and C. This is subject to change in accordance with the contractual provisions. The Company's liability is limited to the payment of contributions to the insurance company that manages the plan. (ii) Healthcare plan: Mr Éric Vallat is also eligible for the Group health insurance plan. The remuneration taken into account to calculate the contributions is capped at the annual social security ceiling. The employer contribution rate is 2.67% on bracket A, subject to change in accordance with the contractual provisions. The Company's liability is limited to the payment of contributions to the insurance company that manages the plan.

3.5.5 Comparison of executive and employee remuneration

In accordance with the provisions of Article L. 225-37-3 of the French Commercial Code, details of the ratios used to measure the gap between the remuneration of executive directors and that of the Company's employees are provided in the following table.

Pursuant to Article L. 225-37-3, the scope to be considered for the calculation of the indicators is that of the listed company preparing the report on corporate governance.

However, since Rémy Cointreau SA has no employees, the indicators were calculated on the basis of the remuneration of all employees, based in France, of CLS Rémy Cointreau SA, Cointreau SA and E. Rémy Martin & C°, a wholly owned subsidiary of Rémy Cointreau SA (*i.e.* 662 employees at the end of the 2019/2020 financial year). These items are among the information referred to in Article L. 225-37-3(I) of the French Commercial Code. They will be put to a general vote pursuant to Article L. 225-100(II) of the French Commercial Code at the Shareholders' Meeting of 23 July 2020. The remuneration shown in the table includes the following items:

- fixed remuneration paid during the financial year;
- variable remuneration paid during the financial year;
- directors' fees paid during the financial year, if any;
- the carrying amount of benefits in kind paid during the financial year;
- performance shares granted during the financial year (at IFRS value);
- mandatory and non mandatory and profit-sharing paid during the financial year.

For both Rémy Cointreau's employees and Rémy Cointreau's corporate officers, remuneration has been annualised. The executive directors concerned are the Chairman of the Board of Directors and the Chief Executive Officer.

The remuneration disclosed is attached to the role and not the person. Therefore, any change in the person occupying the role does not affect the presentation of the information over the five-year period.

For 2019/2020, the Chief Executive Officer's remuneration was annualised on the basis of the remuneration paid to Ms Valérie Chapoulaud Floquet for the period from 1 April 2019 to 30 November 2019 and to Mr Éric Vallat for the period from 1 December 2019 to 31 March 2020, so as to take account of the change of Chief Executive Officer.

		2019/2020	2018/2019	2017/2018	2016/2017	2015/2016
Chairman of the Board of Directors	Annual remuneration	360,583	529,740	532,864	423,167	436,238
	Ratio/Mean remuneration of employees	**5.4**	**7.8**	**8.0**	**6.2**	**6.8**
	Ratio/Median employee remuneration	**7.2**	**10.8**	**11.1**	**8.7**	**9**
Chief Executive Officer	Annual remuneration	1,623,608	2,283,115	1,782,855	1,675,016	1,339,319
	Ratio/Mean employee remuneration	**24.4**	**33.6**	**26.9**	**24.7**	**20.7**
	Ratio/Median employee remuneration	**32.2**	**46.4**	**37.0**	**34.5**	**27.7**
Employees	Mean annual remuneration	66,592	68,003	66,232	67,839	64,583
	Median annual remuneration	50,376	49,217	48,162	48,601	48,397

3.5.6 Company securities trading by executive officers

BOARD MEMBERS' DECLARATIONS

Persons concerned	Type of transaction	Date of transaction	AMF Decision no.	Number of shares
ORPAR SA, legal entity linked to Marc Hériard Dubreuil, Chairman of the Board of Directors, and to Dominique Hériard Dubreuil and François Hériard Dubreuil, Board members. ORPAR is also represented on the Board of Directors of Rémy Cointreau (decision of the Shareholders' Meeting of 26 July 2016)	Sale of US put options	13 March 2020	2020DD674977	97,588 (at the unit price of €83.8163)
	Sale of US put options	13 March 2020	2020DD674980	97,588 (at the unit price of €82.0882)
	Sale of US put options	13 March 2020	2020DD674981	97,587 (at the unit price of €77.7677)
RÉCOPART, legal entity linked to Marc Hériard Dubreuil, Chairman of the Board of Directors, and to François Hériard Dubreuil, Board member, as well as to the company ORPAR, represented on the Board of Directors	-	-	-	-
ANDROMÈDE, legal entity linked to Marc Hériard Dubreuil, Chairman of the Board of Directors, and to Dominique Hériard Dubreuil and François Hériard Dubreuil, Board members	-	-	-	-

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3.5.7 Shares and voting rights of members of the Board of Directors at 31 March 2019

Board members (natural persons)	Shares	%	Shares with double voting rights	Voting rights	%
Dominique Hériard Dubreuil	2,795	0.01	2,722	5,517	0.01
François Hériard Dubreuil	124	0.00	110	234	0.00
Marc Hériard Dubreuil	108	0.00	100	208	0.00
Jacques-Étienne de T'Serclaes	572	0.00	552	1,124	0.00
Laure Hériard Dubreuil	105	0.00	102	207	0.00
Marie-Amélie Jacquet	12,532	0.02	12,036	24,568	0.03
Hélène Dubrule	100	0.00	0	100	0.00
Olivier Jolivet	100	0.00	0	100	0.00
Guylaine Saucier	100	0.00	0	100	0.00
Emmanuel de Geuser	100	0.00	100	200	0.00
Bruno Pavlovsky	100	0.00	0	100	0.00
Gisèle Durand (Representative of ORPAR)	1,728	0.00	215	1,943	0.00
TOTAL	**18,464**	**0.03**	**15,937**	**34,401**	**0.04**

3.5.8 Report on the remuneration policy for executive officers under Article L. 225-37-2 of the French Commercial Code

This report, approved by the Board of Directors on 3 June 2020 on the recommendation of its Nomination and Remuneration Committee, sets out the principles and criteria for the determination, distribution and allocation of fixed, variable and exceptional elements of total remuneration and benefits in kind that may be awarded to executive officers in respect of their term of office.

In accordance with Article L. 225-37-2 of the French Commercial Code, the principles and criteria set out in this report will be submitted for the approval of the Combined Shareholders' Meeting of 23 July 2020.

The definition of executive and non-executive officers used in this report is taken from the AFEP/MEDEF Corporate Governance Code of Listed Corporations.

3.5.8.1 GUIDING PRINCIPLES AND IMPLEMENTATION OF THE REMUNERATION POLICY

Rémy Cointreau's remuneration policy for its executive officers is designed to accompany its long-term growth strategy by focusing on investment decisions and competitiveness in its various markets. This policy thus establishes a close link between the performance of executives and their remuneration in the short, medium and long term, with the aim of aligning their interests with those of its shareholders.

Rémy Cointreau's remuneration policy seeks to attract and motivate highly qualified men and women, to enable them to improve significantly on their performance and to link their remuneration to the Company's performance. The policy comprises short-term remuneration consisting of a fixed and variable part, long-term incentives with Performance shares and ancillary items such as defined-contribution and defined-benefit pension plans, life and disability plans and termination benefits.

When defining its remuneration policy, the Board of Directors takes into account the principles of comprehensiveness, balance, comparability, consistency, understandability and proportionality advocated by the AFEP/MEDEF Corporate Governance Code of Listed Corporations.

The overall remuneration paid to executive and non-executive officers is set by the Board of Directors, which decides on the basis of recommendations issued by the Nomination and Remuneration Committee. The committee ensures that each element of remuneration responds to a clear objective that is fully in line with the strategy and interests of the business.

Regardless of the elements of remuneration concerned, the committee's objective is to recommend a general remuneration policy to the Board that is both competitive and attractive. To that end, it draws on objective studies of the executive remuneration offered by companies comparable to Rémy Cointreau in the appropriate market, carried out by external experts.

This report sets out the elements of remuneration and benefits in kind referred to in Article R. 225-29-1 of the French Commercial Code, as provided for in Decree no. 2017-340 of 16 March 2017.

3.5.8.2 REMUNERATION STRUCTURE AND CALCULATION CRITERIA

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, seeks to maintain a proportionate balance between fixed, variable and long-term remuneration. It follows a strict framework for attaining ambitious, clearly defined commercial and financial targets, delivering long-term sustainable performance and securing proven expertise in international team leadership. The Chief Executive Officer's performance-related pay is thus a substantial part of his or her remuneration package.

The remuneration elements described below concern both the Chief Executive Officer of the Company, an executive officer, and the Chairman of the Board of Directors, a non-executive officer, as defined by the AFEP/MEDEF Code.

3.5.8.2.1 Executive officer

Directors' fees

Only executive officers who are Board members are eligible for Directors' fees, which is not the case for the Company's Chief Executive Officer.

Annual fixed remuneration

The fixed portion of remuneration is determined according to the experience and responsibilities of the executive officer.

A survey is regularly carried out with the help of specialist consultancy firms to examine how the Company's executive remuneration structure compares with that of other SBF 120 companies.

If the legal conditions are met, the Nomination and Remuneration Committee may propose to the Board of Directors that the fixed compensation include a proportion benefiting from the provisions of Article L. 155B of the French General Tax Code (known as an "impatriation premium"). To benefit from this provision, the person must not have been resident in France for tax purposes over the five calendar years prior to their appointment. The provision has a limited duration.

Annual variable remuneration (bonus)

As in previous years, the Board of Directors has defined a procedure for calculating the variable portion of executive officers' remuneration so that it acts as an incentive while remaining fair. This procedure is based on ambitious quantitative and qualitative criteria that ensure that remuneration is in line with the Group's performance.

The short-term variable portion of the executive officer's remuneration is set annually by the Board, on the recommendation of the Nomination and Remuneration Committee, when closing the previous financial year. This method is based on economic and management parameters linked to the Group's performance. It sets a ceiling for each element expressed as a percentage of the target value.

The method consists of assessing the executive officer's performance according to quantitative criteria of a financial nature and qualitative criteria that are personal to the individual concerned.

During the 2019/2020 financial year, the Board, on the recommendation of the Nomination and Remuneration Committee, reviewed the quantitative and qualitative criteria and selected the following elements:

QUANTITATIVE CRITERIA

Four quantitative performance criteria based on financial performance representing 50 points of the target bonus, as for the 2019/2020 financial year:

- consolidated current operating profit;
- cash flow generation;
- consolidated net profit (excluding non-recurring items);
- ROCE (return on capital employed).

Each criterion has a specific weighting set each year by the Board of Directors on the recommendation of the Nomination and Remuneration Committee.

QUALITATIVE CRITERIA

Five qualitative criteria based on managerial and entrepreneurial skills representing 50 points of the target bonus, as for the 2019/2020 financial year:

- transition towards a new organisation for the Europe-Middle/East-Africa region;
- strengthen direct customer sourcing;
- to continue the development of the flagship brands and identify opportunities for external growth;
- achieving quantitative targets in the area of CSR;
- encouraging autonomy, initiative and creativity.

Each criterion has a specific weighting set each year by the Board of Directors on the recommendation of the Nomination and Remuneration Committee.

The Chief Executive Officer's performance is assessed annually by the Board of Directors on the recommendation of the Nomination and Remuneration Committee. The qualitative criteria are reviewed annually in line with the Group's strategic priorities. Due to the confidentiality of the Group's strategy, details of the qualitative objectives may only be disclosed at the end of each financial year. Therefore, this document only mentions those relating to the 2019/2020 financial year.

Multi-year variable remuneration

Executive officers do not receive multi-year variable remuneration.

Stock option grants

Performance incentive plans must serve the aims of retaining key talent with a view to delivering medium- and long-term performance, encouraging outperformance and involving the individuals concerned in the Company's value creation. The plans must also be cost-effective. The plans are aimed at a select group of individuals: the Company's Chief Executive Officer, Executive Committee members, key contributors, pillars of the organisation and high flyers. Key contributors are managers who have a strategic role (mainly brand managers and regional managers) and managers who report to senior management. "Pillars" are managers who perform an essential role that requires experience and who would be difficult to replace. "High flyers" are managers who have been identified as potentially able to reach director level, or who could be promoted through two levels of management. In the case of the Company's Chief Executive Officer, the Board of Directors applies the criteria set out in the Corporate Governance Code of Listed Corporations for Performance shares, *i.e.* a percentage of his or her total remuneration and a proportional award in view of the total budget approved by the shareholders at the Shareholders' Meeting, in line with the Company's previous valuation practices.

Free shares awards

Performance incentive plans must serve the aims of retaining key talent with a view to delivering medium- and long-term performance, encouraging outperformance and involving the individuals concerned in the Company's value creation. The plans must also be cost-effective.

The plans are aimed at a select group of individuals: the Company's Chief Executive Officer, Executive Committee members, key contributors, pillars of the organisation and high flyers. Key contributors are managers who have a strategic role (mainly brand managers and regional managers) and managers who report to senior management. "Pillars" are managers who perform an essential role that requires experience and who would be difficult to replace. "High flyers" are managers who have been identified as potentially able to reach director level, or who could be promoted through two levels of management.

Once identified, the beneficiaries are divided into groups. Once identified, the beneficiaries are divided into groups. Each group is assigned a target increase, expressed as a percentage of the average annual salary of each group at the time of the award.

In the case of the Company's Chief Executive Officer, the Board of Directors applies the criteria set out in the Corporate Governance Code of Listed Corporations for Performance shares, *i.e.* a percentage of his or her total remuneration and a proportional award in view of the total budget approved by the shareholders at the Shareholders' Meeting, in line with the Company's previous valuation practices.

Exceptional remuneration

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors retains the option of granting exceptional remuneration to the executive officer in the event that a major economic operation is particularly successful and sustainable over the long term, although only if this was not envisaged when the qualitative criteria for her annual variable remuneration were set.

Remuneration, indemnities or benefits payable or likely to become payable upon taking up office

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, may grant a signing bonus to new executive officers from a company outside the Group. This bonus is mainly intended to compensate the individuals concerned for the loss of benefits they would have been eligible for. It also enables the Group to attract the talents it regards as being the best in the global industry.

Elements of remuneration, indemnities or benefits due or likely to be due as a result of the termination or change of office, or subsequent thereto, or defined-benefit pension commitments meeting the characteristics of the plans referred to in Article L. 137-11-2 of the French Social Security Code

TERMINATION PAYMENT

The executive officer receives a termination payment equal to two years' remuneration (including fixed salary and annual bonus) prior to the date of the revocation or non-renewal of the corporate office. The termination payment will only be made in the event of forced departure. It will not be due where there are serious grounds or misconduct or in the event of business failure.

Actual payment of this benefit is subject to the performance criteria defined below.

Performance criterion relating to the business situation

In the event of business failure, the Board of Directors may be fully or partially exempt from paying the termination benefit. The business situation will be assessed based on the results measured at the end of the previous two financial years. The business is deemed to have failed if the aggregate operating profit for the previous two financial years is less than €250 million.

Quantitative performance criteria

If the quantitative results, validated by the Board of Directors and serving as a basis for the calculation of the bonus of Executive Committee members, are less than 75% of the budgetary targets, no compensation will be payable.

If the quantitative results, validated by the Board of Directors and serving as a basis for the calculation of the bonus of Executive Committee members, equal 75% or more of the budgetary targets, the compensation paid will be equivalent to two years' gross remuneration multiplied by the percentage used (maximum 100%). For example, if the percentage used is 87.5%, the compensation will be equal to 21 months.

The percentage used to calculate the compensation will be the average percentage for the previous two financial years.

Qualitative performance criterion

The Board of Directors may adjust the amount of the bonus, expressed as a percentage of gross annual remuneration and calculated according to the quantitative criteria, based on the results measured against a qualitative criterion. For this, the Board takes the Company's corporate social responsibility rating with Vigéo in particular, or any other environmental rating agency, into consideration. The final compensation amount remains limited to 24 months' salary as defined above.

NON-COMPETE COMPENSATION

The executive officer is subject to a non-compete clause which prohibits him/her from working for a competitor. In respect of this non-compete clause, the activity taken into consideration as of the date of this document is the production, sale and distribution of liqueurs and spirits.

This non-compete commitment applies to a defined geographic region for a fixed period of time from the effective termination of the corporate office contract.

During this period, the executive officer will receive a gross monthly lump-sum non-compete payment equating to 100% of the average gross monthly basic remuneration received during the twelve (12) months prior to the end of the term of office. The clause may be waived by the Board of Directors.

In the event of a breach of this non-compete clause, the Company will be entitled to claim damages.

SUPPLEMENTARY PENSION PLAN

The executive officer is eligible for the supplementary Group pension plan set up for the Group's senior managers. The supplementary pension plan includes (i) a defined-contribution group plan and (ii) an add-on defined-benefit Group plan.

(i) Defined-contribution plan pursuant to Article L. 242-1 of the French Social Security Code

The executive officer is eligible for a defined-contribution plan, which equates to 8% of the annual remuneration representing between one and eight times the annual ceiling on social security contributions paid by the Company.

The Company's liability is limited to the payment of contributions to the insurance company that manages the plan.

(ii) Top-hat conditional Group defined-benefit plan ("Article 39") pursuant to Article L. 137-11-2 of the French Social Security Code

The aim of the plan is to retain the key talent concerned and encourage long-term performance. Like all Group executives based in France, the executive officer is eligible for this supplementary pension plan, set up and funded by the Company and managed by a third-party insurance company.

Moreover, in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code, eligibility for this scheme will be subject to performance conditions that are identical to those for the variable portion.

The PACTE law of 22 May 2019 and the Order of 4 July 2019 obliged Rémy Cointreau to terminate the "Article 39" defined-benefit pension plans set up for senior management. These plans have therefore been closed to new entrants since 4 July 2019. In addition, this law provides for the possibility to implement a new supplementary defined benefit pension plan, in accordance with a decree that has not yet been published.

The executive officer will be eligible for this plan once it has been set up by the Group.

The Board of Directors will be called upon to review this scheme when the new plan is implemented by the Group. The performance conditions may be subject to change and will be submitted for approval at the next Shareholders' Meeting.

Elements of remuneration and benefits of any kind due or likely to be due to any of the persons referred to in the first paragraph of Article L. 225-82-2, under agreements concluded, directly or through an intermediary, by virtue of his or her office, with the Company in which the office is held, any company controlled by it, as defined by Article L. 233-16, any company which controls it, as defined by the same article, or any other company placed under the same control, as also defined in that article

The Company's Chief Executive Officer does not benefit from any such agreements.

Any other element of remuneration that may be granted in view of the office held

The Chief Executive Officer does not receive any other elements of remuneration in respect of his or her office other than those mentioned above.

Other benefits in kind

The Chief Executive Officer benefits from the use of a company car. The maintenance, insurance and running costs are covered by the Company.

The Company also pays into a benefits scheme for managers and senior executives.

The Chief Executive Officer is eligible for the Group life and disability and healthcare plans set up within the Group for all employees. The Company's liability is limited to the payment of contributions to the insurance company that manages the plans.

These plans comprise a death, disability and incapacity for work plan and a healthcare plan, as described in this document.

3.5.8.2.2 Non-executive officers

Directors' fees

The total amount of Directors' fees put to a vote by the shareholders is subject to a regular review of the practices adopted by French groups of a similar scale and international dimension to Rémy Cointreau.

The Board of Directors ensures that the amount of Directors' fees is commensurate with Board members' responsibilities and the amount of time they spend discharging their duties.

The Board of Directors distributes the annual amount of Directors' fees set by the Shareholders' Meeting among its members as follows:

- a fixed portion defined on an annual basis;
- a variable portion commensurate with each Board member's actual attendance at Board and Committee meetings;
- an additional fixed portion may also be allocated to the Chairman of the Board and committee Chairmen.

The variable part is preponderant. The amount of Directors' fees is reduced by 30% if members miss more than one in three meetings.

In addition, the Board of Directors may grant exceptional remuneration for specific assignments entrusted to members of the Board. This type of remuneration is subject to the legal provisions on regulated agreements.

Members of the Board of Directors are also reimbursed all expenses incurred in the course of their duties, subject to supporting documentation being produced.

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The Chairman of the Board of Directors, as a non-executive officer, is therefore subject to the aforementioned rules regarding the allocation of Directors' fees.

Annual fixed remuneration

The fixed portion of remuneration is determined according to the responsibilities of the Chairman of the Board of Directors, who is a non-executive officer.

A survey is regularly carried out with the help of specialist consultancy firms to examine how the Company's remuneration structure for this executive compares with that of other SBF 120 companies for similar positions.

Variable annual remuneration (bonus)

The non-executive officer does not receive annual variable remuneration, given his independence from the Chief Executive Officer's role. The Board of Directors follows the recommendations of the AFEP/MEDEF Corporate Governance Code on this.

Multi-year variable remuneration

The non-executive officer does not receive multi-year variable remuneration.

Stock option grants

As previously stated, the Group no longer uses stock option plans. The Chairman of the Board of Directors is not eligible for any plan of this type, in accordance with the recommendations of the AFEP/MEDEF Corporate Governance Code.

Free shares awards

The non-executive officer is not eligible for bonus share plans, in accordance with the recommendations of the AFEP/MEDEF Corporate Governance Code.

Exceptional remuneration

The non-executive officer is not eligible for bonus share plans, in accordance with the recommendations of the AFEP/MEDEF Corporate Governance Code.

Remuneration, indemnities or benefits payable or likely to become payable upon taking up office

The non-executive officer does not receive any remuneration of this type.

Elements of remuneration, indemnities or benefits due or likely to be due as a result of the termination or change of office, or subsequent thereto, or defined-benefit pension commitments meeting the characteristics of the plans referred to in Article L. 137-11-2 of the French Social Security Code

The non-executive officer has a defined-benefit pension plan falling within the scope of Article L. 137-11-2 of the French Social Security Code, for which funding is assured by the controlling company. In addition, the non-executive officer has a defined-contribution plan pursuant to Article L. 242-1 of the French Social Security Code.

The Company's liability is limited to the payment of contributions to the insurance company that manages the plan.

The non-executive officer does not receive other elements of remuneration, indemnities or benefits due or likely to be due as a result of his termination or change of office or at any time thereafter.

Elements of remuneration and benefits of any kind due or likely to be due to any of the persons referred to in the first paragraph of Article L. 225-37-2, under agreements concluded, directly or through an intermediary, by virtue of his or her office, with the Company in which the office is held, any company controlled by it, as defined by Article L. 233-16, any company which controls it, as defined by the same article, or any other company placed under the same control, as also defined in that article

The non-executive officer is eligible for elements of remuneration under agreements entered into in view of his office as described in Table 2 – Summary of remuneration paid to each executive officer.

Since section 16.2 of regulation (EC) no. 809/2004 of 29 April 2004 requires information to be provided about service contracts between members of the administrative bodies and the issuer or any of its subsidiaries, it is noted that a service provision agreement exists as mentioned in the Statutory Auditors' special report.

Any other element of remuneration that may be granted in view of the office held

The non-executive corporate officer does not benefit from elements of remuneration other than those mentioned above.

Other benefits in kind

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, may decide to provide the non-executive officer with the use of a vehicle, covering the associated maintenance, insurance and running costs. The Chairman of the Board of Directors may be eligible for such benefits in kind.

The Chairman of the Board of Directors is eligible for the Group disability, death and incapacity for work scheme. The Company's liability is limited to the payment of contributions to the insurance company that manages the plan.


COINTREAU
LIMITED EDITION
Limited Edition by Vincent Darré
40% vol
e 0,70 L

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COMMENTS ON THE RESULTS FOR THE YEAR

For the year ended 31 March 2020

The last quarter of the financial year was indelibly marked by the Covid-19 pandemic, which prompted an emergency health statement by the World Health Organization on 30 January 2020. The health-related measures taken in every country resulted in the closing of certain venues where the Group's products are sold, specifically the On-Trade sector and Travel Retail. The Group took all measures to protect its employees' health and also fully assumed all of its societal responsibilities by contributing wherever it could to the production of hand sanitiser, donating materials, equipment, and money, and not using any government subsidies.

On 2 and 29 April 2020, the Group had issued an estimate of the impact of the pandemic on its yearly earnings, *i.e.* an expected 26% loss in organic net sales in the last quarter, resulting in a decline, in organic terms, in yearly net sales of some 12%, and a 25% decrease in current operating profit.

This global crisis will continue to affect the Group's operations during the coming financial year. Cost-cutting measures have been implemented without compromising the Group's strategy. The Group's balance sheet structure is solid, and the Group is confident that it can emerge from this crisis even stronger.

For the year ended 31 March 2020, the Group reported current operating profit of €215.1 million, representing an organic reduction of 22.0% (-18.6% on a reported basis), following a record year. On an organic basis, the operating margin came to 20.6% (21.0% on a reported basis), *i.e.* an organic decrease of 2.9 points compared with 2019.

4.1 Analysis of the business and consolidated results

4.1.1 Key figures

All data for the financial year ended 31 March are given in millions of euros (€ millions).

Organic change is calculated at constant scope and exchange rates compared with the previous period.

(in € millions)	2020	2019	Reported change	Organic change
Net sales	**1,024.8**	**1,125.9**	**-9.0%**	**-11.2%**
Current operating profit/(loss)	215.1	264.1	-18.6%	-22.0%
Current operating margin	21.0%	23.5%		20.6%
Other operating expenses	(19.7)	1.7		
Operating profit/(loss)	**195.5**	**265.8**		
Net financial income/(expense)	(28.0)	(32.5)		
Income tax	(60.9)	(67.7)		
Share in profit/(loss) of associate	0.3	(6.7)		
Profit/(Loss) from continuing operations	**106.9**	**159.0**	**-32.8%**	**-35.7%**
Net profit/(loss) from discontinued operations	6.4	-		
Non-controlling interests	(0.1)	(0.2)		
Net profit/(loss) attributable to the owners of the parent company	**113.4**	**159.2**	**-28.8%**	**-31.7%**
Net profit/(loss) excluding non-recurring items attributable to the owners of the parent company	**124.2**	**169.9**	**-26.9%**	**-29.9%**
Basic earnings per share:				
On net profit/(loss) attributable to the owners of the parent company	**€2.28**	**€3.18**	**-28.4%**	**-31.3%**
On net profit/(loss) excluding non-recurring items	**€2.49**	**€3.39**	**-26.5%**	**-29.6%**

4.1.2 General comments on current operating profit

Change in **current operating profit** compared with March 2019 was as follows:

	Total
Current operating profit – March 2019	**264.1**
Change due to exchange rates (net of hedges)	9.1
Change in volumes	(58.5)
Impact of changes in price/mix	11.5
Change in advertising expenditure	1.5
Change in other expenses	(12.6)
Current operating profit – March 2020	**215.1**

Overall, exchange rate fluctuations had a positive impact of €9.1 million. The average EUR/USD rate for the period was 1.11 compared with 1.16 during the previous financial year. Taking into account its hedging policy, the Group recorded an average collection rate of 1.16 on the net flows in US dollars generated by its European entities, compared with 1.18 for the period ended 31 March 2019.

The negative volume impact of €(58.5) million includes a fall of €(12.3) million relating to the voluntary termination of certain contracts with Partner Brands. For the Group's brands, the negative volume effect reflects the heath crisis which has spread to all the Group's principle markets in the last quarter. However, it was offset by a very favourable price/mix effect (+€11.5 million), particularly in Asia.

Advertising expenditure was voluntarily maintained at a high level despite the decline in net sales. For the Group's brands, this was stable in absolute value.

Other expenses were up €12.6 million, including €7.7 million in brand and distribution structural expenses and €4.9 million in holding company costs.

Current operating profit recorded an organic decrease of 22.0%; while the organic operating margin remained above 20% (2019: 23.5%).

4.1.3 Business overview

In the comments that follow, all changes are given as organic change.

For the year ended 31 March 2020, the Rémy Cointreau Group reported net sales of €1,024.8 million, an overall organic decrease of 11.2% compared with the previous period, and 6.3% for Group brands.

BY GEOGRAPHIC AREA

At 31 March *(in € millions)*	Europe/ Middle-East/ Africa	Americas	Asia-Pacific	Total
NET SALES				
March 2020	246.1	458.6	320.1	1,024.8
March 2019	311.9	467.8	346.3	1,125.9
Reported change	-21.1%	-2.0%	-7.6%	-9.0%
Organic change	-21.6%	-5.8%	-9.0%	-11.2%

The EMEA region (Europe-Middle/East-Africa), which accounts for 24% of net sales, was down 21.6%. As announced, this change is primarily attributable to the voluntary withdrawal from major distribution contracts with Partner Brands in the Czech Republic and Slovakia. Group brands were down 6.4%.

The Americas region (45% of net sales) recorded a 5.8% decrease, reflecting in particular reduced inventory levels of cognac at retailers in the United States in the last months of the financial year, while growth for Cointreau and The Botanist remained strong.

In the Asia-Pacific region (31% of net sales), business trends were severely affected by the pandemic in the last quarter, particularly in the Travel Retail segment, which had already been already penalised by a sharp drop in tourism in Hong Kong. In China, demand remained strong and, in particular, the flagship product Rémy Martin CLUB reported strong growth thanks to innovative new distribution methods.

BY DIVISION

At 31 March *(in € millions)*	Rémy Martin	Liqueurs and Spirits	Total group brands	Partner Brands	Holding company costs	Total
NET SALES						
March 2020	735.5	261.9	997.3	27.5	-	1,024.8
March 2019	774.4	264.4	1,038.8	87.2	-	1,125.9
Reported change	-5.0%	-1.0%	-4.0%	-68.5%	-	-9.0%
Organic change	-7.5%	-3.0%	-6.3%	-68.7%	-	-11.2%
Current operating profit/(loss)						
March 2020	199.5	37.5	237.0	-1.7	(20.1)	215.1
March 2019	235.6	38.8	274.4	4.9	(15.2)	264.1
Reported change	-15.3%	-3.5%	-13.6%		-	-18.6%
Organic change	-18.2%	-9.9%	-17.0%		+32.3%	-22.0%
Operating margin						
March 2020 (reported)	27.1%	14.3%	23.8%	-6.3%	-	21.0%
March 2020 (organic)	26.9%	13.6%	23.4%	-5.7%	-	20.6%
March 2019	30.4%	14.7%	26.4%	5.6%	-	23.5%

HOUSE OF RÉMY MARTIN

Net sales, of €735.5 million recorded a 7.5% decline, reflecting the contrasting situations in its principle markets: growth in continental China, inventory clearance of retailers in the United States, impact of the health crisis on the Travel Retail segment. However, in line with its strategy, the House continued to report positive price/mix effects (+2.6%), thereby partially offsetting the decline in volumes (-10.1%).

Operating profit amounted to €199.5 million, down 18.2%. The gross margin rose by 1 point and communication investments continued to grow in absolute values. After factoring in structural costs, the organic current operating margin (26.9%) was down by 3.5 points.

LIQUEURS AND SPIRITS

Net sales amounting to €261.9 million, was only slightly down by 3% on the back of the sound performance of the House of Cointreau and The Botanist gin in the United States.

The House of Cointreau continued to establish its brand as an essential ingredient in classic cocktails (Margarita, Sidecar, Cosmopolitan and Cointreau Fizz), driven by the success of the Cocktail Show, its new entertainment platform. Sales at the House of Metaxa declined over the period, mainly due to the change of distributors in Central Europe and Germany. St-Rémy was also down despite sound performance at the end of the financial year in Canada and successful brand marketing in the United States. Mount Gay voluntarily slowed down its shipments ahead of the brand's relaunch scheduled for the next financial year. The Botanist gin continued to enjoy strong growth in the United States and the Asia-Pacific region. Lastly, the Group's single-malt brands (Bruichladdich, Port Charlotte, Octomore, Domaine des Hauts de Glace, Westland) proved resilient.

Liqueurs and Spirits recorded current operating profit of €37.5 million with a current operating margin of 13.6%, down slightly by 1.1 points compared with the previous year. Communication investments were maintained at a high level to support brand recognition and step up their international development.

PARTNER BRANDS

The Group has been stepping down from this activity for several years in order to concentrate on its own portfolio. Accordingly, the change in this activity is not significant. The €5 million change in net profit is attributable to the announced termination of distribution contracts in the Czech Republic and Slovakia. The remaining contracts were affected by the health crisis in the last quarter.

HOLDING COMPANY COSTS

These costs amounted to €20.1 million, an increase of €4.9 million, including costs in connection with Group organisational changes. They totalled 2.0% of consolidated net sales.

4.1.4 Operating profit/(loss)

Operating profit amounted to €195.5 million after taking into account an expense of €19.7 million, including €18.8 million attributable to goodwill impairment recognised in connection with the acquisition of the Westland distillery. This impairment loss results from the application of the relevant accounting standards, which do not enable the long-term business model that the Group is developing for such brands to be taken into account. The Group is continuing to invest strongly to support this House, which is a perfect reflection of the Group's values: *terroirs*, people and time.

4.1.5 Net financial income/(expense)

A net financial expense of €28.0 million was recorded, breaking down as follows:

At 31 March *(in € millions)*	2020	2019	Change
Cost of gross financial debt	(12.9)	(13.7)	0.8
Currency gains and losses	(4.7)	(4.0)	(0.7)
Other financial expenses (net)	(10.5)	(14.8)	4.3
NET FINANCIAL INCOME/(EXPENSE)	**(28.0)**	**(32.5)**	**4.5**

- Cost of gross financial debt was down €0.8 million, reflecting lower interest rates on short-term drawdowns.
- Currency gains and losses are mainly in connection with internal financing in currencies other than the euro.
- Other financial expenses include accrued financial expenses on certain supply agreements for *eaux-de-vie*, and banking costs. In the financial year ended 31 March 2019, a €5.2 million expense in connection with the early repayment of the vendor loan (to the EPI Group) was recognised under this item.

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4.1.6 Net profit/(loss) for the period

The tax expense amounted to €60.9 million, with an effective tax rate of 36.3%, up 7.3 points compared with the financial year ended 31 March 2019 (29.0%). This increase, which represents an additional cost of €12.3 million in absolute value, is mainly attributable to the breakdown of results by geographic area.

The share in profit of associates was a positive €0.3 million from the Australian JV Spirits Platform. As a result of the agreement to exit the Diversa JV entered into on 13 March 2019 and effective on 1 April 2019, an expense of €7.0 million had been recognised in the previous year.

Profit from continuing operations amounted to €106.9 million, representing a drop of 32.8% in reported terms. Taking into account the impact of the sale of the Central European subsidiaries, announced on 1 April 2019, the net profit attributable to owners of the parent amounted to €113.4 million ((28.8)% in reported terms), equating to basic earnings per share of €2.28 compared with €3.18 for the previous period.

Excluding non-recurring items (other operating income and expenses net of tax, the impact from the sale of the Central European subsidiaries in 2020), the net profit attributable to owners of the parent came to €124.2 million, a reported decrease of 26.9% and corresponding to €2.49 per share.

4.1.7 Exceptional events and litigation

As part of its operations management, Group companies employ diverse procedures regarding brand rights, protection of intellectual property rights, protection of the distribution network, employee relations and audit of tax declarations, and all other matters relating to operations. The Group believes that the statement of financial position provisions in respect of these risks and disputes ongoing at the reporting date are sufficient to ensure that the consolidated position will not be significantly affected in the event of an unfavourable outcome. During the financial year ended 31 March 2020, new judicial proceedings were filed involving Group companies, as both plaintiff and defendant, relating to various claims following the Group's decision to terminate a historical contractual relationship with a distributor. These proceedings are ongoing and provisions have been made.

4.2 Comment on the financial position

At 31 March *(in € millions)*	2020	2019	Change
Brands and other intangible assets	498.2	515.4	(17.2)
User rights, IFRS 16	20.8	27.2	(6.4)
Property, plant and equipment	310.1	269.3	40.8
Investments in associates	0.9	1.1	(0.1)
Other financial assets	87.3	93.9	(6.6)
Non-current assets (other than deferred tax)	**917.4**	**906.9**	**10.5**
Inventories	1,363.9	1,245.5	118.5
Trade and other receivables	199.4	271.1	(71.7)
Trade and other payables	(534.4)	(543.8)	9.4
Operating working capital	**1,028.9**	**972.8**	**56.2**
Net financial derivatives	(3.6)	(8.3)	4.7
Net current and deferred tax	(44.5)	(60.0)	15.5
Provisions for liabilities and charges	(43.9)	(41.9)	(2.0)
Other net assets and liabilities	**(92.0)**	**(110.2)**	**18.2**
TOTAL	**1,854.3**	**1,769.4**	**84.9**
Financed by:			
Shareholders' equity	**1,403.4**	**1,426.1**	**(22.7)**
Long-term financial debt	452.0	423.8	28.2
Short-term financial debt and accrued interest charge	268.3	98.1	170.2
Cash and cash equivalents	(269.4)	(178.6)	(90.8)
Net financial debt	**450.9**	**343.3**	**107.6**
TOTAL	**1,854.3**	**1,769.4**	**84.9**
For information:			
TOTAL ASSETS	**2,788.7**	**2,624.6**	**164.1**

Non-current assets (excluding deferred tax) were up €10.5 million, breaking down as follows:

Non-current assets at 31 March 2019	**906.9**
Translation differences	(0.3)
Acquisition of property, plant and equipment and intangible assets	70.4
Amortisation for the period	(26.3)
Westland goodwill impairment	(18.8)
Change in IFRS 16 right-of-use assets	(6.5)
Liquidity account	(2.4)
Change in value of Dynasty securities	(4.4)
Other movements (net)	(1.1)
Change	**10.5**
NON-CURRENT ASSETS AT 31 MARCH 2020	**917.4**

During the financial year, the Group initiated major investment programmes at the production sites of Cognac, Islay, Barbados, Seattle and St Jean d'Hérans.

Land, industrial and storage buildings:	
Rémy Martin	25.8
Liqueurs and Spirits	24.7
Storage of spirits undergoing ageing	7.9
IT	7.9
Other investments	4.0
Change	**70.4**

Taking into account the change in non-current asset payables and disposals of fixed assets, the impact on cash amounted to €63.8 million (2019: €44.0 million).

An impairment loss of €18.8 million was recorded on the goodwill recognised on the acquisition of the Westland distillery on 6 January 2017, following the annual impairment tests conducted under IAS 36. These tests do not enable the long-term business model that the Group is developing for these brands to be taken into account. The Group is continuing to invest strongly to support this brand, which is a perfect reflection of the Group's values: *terroirs*, people and time.

Transactions in connection with the liquidity account are described in note 7.4 to the consolidated financial statements.

The Group still holds an equity investment in the Chinese Dynasty Fine Wines Group, a major wine player in China, listed on the Hong Kong stock exchange. Said equity investment is recognised in accordance with IFRS 9. With a closing share price of HKD 0.25, the valuation of the investment was €9.9 million at 31 March 2020, representing a change of €4.4 million, for which the counterparty was recognised in equity.

Working capital amounted to €1,028.9 million as of 31 March 2020, corresponding to a total change of €56.2 million.

- At the balance sheet date, inventories, a key asset for the Group, stood at €1,363.9 million, including €1,222.2 million in inventories of spirits undergoing ageing.
- Trade and other receivables reflected a lower net sales level in the last quarter compared with the previous year and the step-up in the implementation of factoring programmes allowing for a faster collection of receivables in the amount of €97.9 million as of 31 March 2020, compared with €48.9 million as of 31 March 2019.

Derivative financial instruments are intended to hedge currency risk. The Group hedges its provisional positions over a rolling 24-month period. The market value of the portfolio held at 31 March 2020 amounted to a net liability of €3.6 million, compared to €8.3 million at 31 March 2019. Of this change, €8.3 million is due to part of the original portfolio maturing and €(3.6) million to the market value of new instruments concluded.

The total net tax position (current and deferred) amounts to a liability of €44.5 million, representing a change of €15.5 million compared with March 2019 due to a reduction in the tax expense in absolute value.

The change in shareholders' equity breaks down as follows:

Shareholders' equity at 31 March 2019	**1,426.1**
Net profit/(loss) for the period	113.2
Profit/(loss) recorded in equity	(1.6)
Change in translation reserves	(3.5)
Impact of stock-option and similar plans	3.6
Transactions on treasury shares	(1.9)
Dividend payment	(132.0)
Other movements	(0.5)
Change	**(22.7)**
SHAREHOLDERS' EQUITY AT 31 MARCH 2020	**1,403.4**

The Shareholders' Meeting of 24 July 2019 approved the payment of an ordinary dividend of €1.65 per share in respect of the financial year ended 31 March 2019. It also approved the payment of an extraordinary dividend of €1.00 per share. The dividend was paid out in cash-only on 16 September 2019 in the total amount of €132.0 million.

Net debt came to €450.9 million, up €107.6 million, corresponding mainly to long-term debt.

At 31 March 2020, the Rémy Cointreau Group had €540 million in confirmed funding, including:

- a €100 million syndicated revolving loan maturing on 2 July 2024, bearing interest at EURIBOR plus a variable margin;
- a €65 million bond maturing on 13 August 2023, bearing interest at 4% and an issue premium of 2.00%;
- a bond issued in the form of a private placement with a leading European insurer for €80 million, maturing on 27 February 2025 and bearing interest at 2.94%;
- a current-account agreement with the company ORPAR SA for €20 million at a rate of 0.60%, with a term expiring in April 2021;
- an OCEANE bond issued on 7 September 2016 for a nominal value of €275 million, maturing on 7 September 2026, with a conversion option exercisable on 7 September 2023, and bearing interest at the rate of 0.125%.

In addition, the Group had €215 million in unconfirmed bilateral lines.

The A ratio[1] (Net debt/EBITDA), on which the availability of the private placement and the syndicated loan is based, was 1.86 at 31 March 2020 (September 2019: 1.39, March 2019: 1.19). Under the terms of the syndicated loan, this ratio, calculated every six months, must remain less than or equal to 4.0 until the loan matures. For the private placement, this limit is 3.5.

In the midst of the COVID-19 health crisis and its major economic impact, the Group remains confident that its financing will remain available and its debt controlled. Financial debt, which is a key indicator for the Group's management, is the subject of continuously updated forecasts. The Rémy Cointreau Group's balance sheet structure is solid.

(1) The A ratio is calculated every six months. It is the ratio of (a) the arithmetic average of net debt at the end of the half-year and the end of the prior half-year – in this case end-September 2019 and end-March 2020 – and (b) EBITDA for the previous 12 months.

4.3 Comments on cash flows

At 31 March *(in € millions)*	2020	2019	Change
EBITDA	252.4	298.1	(45.6)
Change in working capital requirement	(72.3)	(161.6)	89.3
Net cash flow from operations	180.2	136.5	43.7
Other operating income/(expense)	(0.7)	(3.8)	3.1
Financial result	(13.1)	(15.4)	2.3
Income tax	(85.8)	(64.1)	(21.7)
Other operating cash flows	(99.7)	(83.4)	(16.2)
Net cash flow from continuing operating activities	80.5	53.1	27.4
Net cash flow from discontinued operations	-	-	-
Net cash flow from operating activities	**80.5**	**53.1**	**27.4**
Net cash flow from non-financial assets	(63.8)	(40.0)	(23.8)
Net cash flow from non-current financial assets	11.3	86.9	(75.5)
Net cash flow from investment activities	**(52.5)**	**46.9**	**(99.4)**
Treasury shares	(1.9)	(103.5)	101.6
Dividends paid	(132.0)	(9.1)	(122.9)
Net cash flow relating to capital	**(133.9)**	**(112.6)**	**(21.3)**
Repayment of financial debt	196.0	10.8	11.2
Net cash flow from continuing operations after financing	**90.2**	**(1.8)**	**(82.0)**
Translation differences on cash and cash equivalents	0.6	(6.4)	7.0
CHANGE IN CASH AND CASH EQUIVALENTS	**90.8**	**(8.2)**	**(75.0)**

EBITDA[1] was down €45.6 million, as a result of a negative change of €49.0 million in current operating profit and a €3.6 million increase in depreciation and amortisation expenses and other non-cash items.

The working capital requirement increased by €72.3 million, and breaks down as follows:

At 31 March *(in € millions)*	2020	2019	Change
Change in connection with ageing spirits	(118.9)	(118.1)	(0.8)
Change in trade receivables	74.0	(45.5)	119.6
Net change in other items	(27.4)	2.1	(29.5)
CHANGE IN WORKING CAPITAL REQUIREMENT	**(72.3)**	**(161.6)**	**89.3**

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(1) Earnings before interest, tax, depreciation and amortisation (EBITDA) corresponds to the current operating profit adjusted by adding back depreciation and amortisation charges in respect of property, plant and equipment and intangible assets, and charges in respect of share-based payments and dividends paid out by associates during the period.

The change in working capital requirement in connection with building up inventories of ageing spirits (change in stocks and change in related trade payables) totalled €118.9 million, similar to the previous year.

	2020	2019	Change
Change in inventories of ageing spirits	(119.6)	(55.3)	(64.3)
Change in trade payables, *eaux-de-vie*	0.7	(62.8)	63.5
CHANGE IN CONNECTION WITH AGEING SPIRITS	**(118.9)**	**(118.1)**	**(0.8)**

In the financial year ended 31 March 2019, a change in the terms and conditions with *eaux-de-vie* and cognac suppliers translated into a sharp reduction in “*Eaux-de-vie* trade payables”.

Trade receivables, in the amount of €74.0 million, represented an increase of €45.5 million in the year ended 31 March 2019, resulting from both the change in net sales in the final months of the financial year and a greater recourse to factoring programmes set up in Europe, the United States and Asia (excluding China).

At 31 March *(in € millions)*	2020	2019	Change
Change in gross trade receivables	26.5	(41.9)	68.5
Change in factored receivables	47.5	(3.6)	51.1
TOTAL IMPACT FROM THE CHANGE IN TRADE RECEIVABLES	**74.0**	**(45.5)**	**119.6**

The net change in other items amounted to an increase of €27.4 million, primarily in “Trade and other payables” due to slower activity in the final months of the financial year.

Other operating cash flows came to €99.7 million euros, up €16.2 million, primarily in the item “Tax”.

Net capital expenditure amounted to €63.8 million, up compared with the previous financial year as a result of the investment programmes over the period.

Net cash flow relating to capital amounted to €133.9 million, including €132.0 million for the dividend paid in September 2019. In the previous financial year, Rémy Cointreau had purchased 1 million treasury shares under the share buyback programme for a total of €103.6 million and the dividend had been paid for a large part in shares, thereby resulting in a disbursement of only €9.1 million.

At year-end, due to the context stemming from the health crisis, the Group made drawdowns in excess of its needs from its credit facilities in order to secure the financing of the first quarter of the next financial year. Accordingly, after taking into account the net change in financial debt and translation effects, “Cash and cash equivalents” posted an increase of €90.8 million. The Group’s gross cash position amounted to €269.4 million at 31 March 2020 (*versus* €178.6 million in 2019).

4.4 Parent company results

The Covid-19-related health crisis and the French declaration of a national health emergency by Emergency Bill 2020-290 of 23 March 2020 were the period's major events.

This crisis had no significant effect on the separate financial statements of Rémy Cointreau to 31 March 2020.

Even though the business of its direct and indirect subsidiaries was affected, as described in the consolidated financial statements of the Rémy Cointreau Group, no risk was identified for the carrying amount of the equity investments included in the Company's assets.

4.4.1 Comments on the results

The Company recorded a current operating profit before tax of €120.2 million for the financial year ended 31 March 2020 (2019: €95.2 million).

Services invoiced to subsidiaries totalled €22.6 million, compared with €24.4 million in the previous year. Services provided by Rémy Cointreau to its subsidiaries are invoiced on the basis of the cost of the services provided, plus a 5% profit margin.

Net operating expenses totalled €35.9 million, down €1.8 million. This sum covers all of the services provided by the Company, which are re-invoiced in part to subsidiaries.

Dividends received from subsidiaries totalled €138.8 million (2019: €110.4 million). The rise in this income is the main factor behind the increased profit recorded during the period.

Interest expense was reduced during the period to €3.4 million, down from €4.0 million in the previous year, as a result of deleveraging and lower effective interest rates incurred by the Company.

Tax income of €9.0 million relates mainly to the net savings from the consolidated tax scope during the period.

Taking these factors into account, the net profit for the year was €125.7 million (2019: 104.0 million).

4.4.2 Comments on the statement of financial position

The change in non-current financial assets, which are the Company's principal assets, was as follows for the period:

(in € millions)	Value at the start of the financial year	Impairment	Increase	Decrease	Value at the end of the financial year
Equity investments	1,549.9	-	-	-	1,549.9
Liquidity account (excluding treasury shares)	3.9	-	-	(2.4)	1.5
Treasury shares (liquidity account)	0.7	-	2.1	-	2.8
Treasury shares	17.0	(1.4)	-	-	15.6
TOTAL	**1,571.5**	**(1.4)**	**2.1**	**(2.4)**	**1,569.8**

There was no change in the equity investment portfolio during the financial year.

The Company entered into a liquidity contract with a financial institution several years ago for the purpose of promoting the liquidity of the Company's securities and the regularity of their quotation on the market. At 31 March, 2020, the total amount invested by the liquidity provider was €4.3 million, of which €2.8 million corresponding to 30,581 Rémy Cointreau securities held under the liquidity contract at the reporting date.

The Company directly holds 165,235 Rémy Cointreau shares acquired under a share buyback program, carried out during the previous financial year, for a gross amount of €17.0 million. These securities were impaired for €1.4 million at 31 March 2020, due to the difference between the acquisition price and the average share price for the month of March 2020.

Equity amounted to €1,070.0 million, down €6.3 million, reflecting the differential between the profit of €125.7 million for the period and the dividend paid on 16 September 2019 in the amount of €132.0 million.

Gross financial debt amounted to €477.8 million, up €9.0 million.

4.4.3 Information in respect of payment terms pursuant to Article D.441-4 of the French Commercial Code

At 31 March 2020, Rémy Cointreau had €2.5 million excluding tax in trade receivables outstanding (11 invoices) exclusively with Group companies. No receivables were overdue. Trade payables amounted to €1.9 million excluding tax (13 invoices, of which 10 pertaining to Group companies) and were due by end-April 2020 at the latest.

4.5 Recent events

On 30 April 2020, the Group announced the finalisation of the acquisition of the House of cognac JR Brillet and part of its vineyards.

On 19 May 2020, the Bruichladdich distillery on the Isle of Islay in Scotland, received B Corporation certification (B-Corp) following a 15-month validation process. This certification recognises the high level of social and environmental performance. With this, Bruichladdich joins a network of 3,242 companies that have put people and the environment at the centre of their decision-making. It is the first whisky and gin distillery to obtain such certification.

On 15 June 2020, the Rémy Cointreau Group announced that it had entered into exclusive negotiations to acquire the Champagne House J.de Telmont.

4.6 Outlook

In an uncertain health, economic, and geopolitical situation, the Rémy Cointreau Group remains confident that it will come through this crisis even stronger.

Thanks to more favourable trends in the consumption of spirits in the United States in recent weeks, the Group has adjusted its outlook slightly upward for the first quarter of 2020/2021: it now expects net sales to fall by about 45% organically (compared to an organic decline in the order of -50% to -55% previously). With the second quarter moving toward a limited decline, the Group anticipates an organic decline of 45% to 50% in current operating profit for the first half of 2020/2021. Nonetheless, the second half of 2020/2021 should benefit from a strong recovery driven by China and the United States.

In the medium term, Rémy Cointreau is reasserting its ambition to become the world leader in exceptional spirits, with a growth outlook that is still attractive, particularly in a world of more responsible consumption.

To achieve this, Rémy Cointreau will pursue its value strategy and its construction of a corporate model in which growth is both profitable and responsible. Thus, the Group is setting ambitious financial and non-financial targets for itself: by 2030, improved management of its brand portfolio should enable it to attain a gross margin of 72% and a current operating margin of 33%.

Simultaneously, the Group will deploy its "2025 Sustainable Exception" plan, which aims for sustainable agriculture in all terroirs involved in the creation of its spirits, as well as a 25% reduction in carbon emissions (scopes 1 & 2, in absolute terms) and 30% (scope 3, in relative terms) by 2025. This is the first step toward the Group's "Net Zero Carbon" ambition for 2050.


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METAXA
THE ORIGINAL GREEK SPIRIT
ANGELS' TREASURE
SINGLE CASK STRENGTH

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CONSOLIDATED FINANCIAL STATEMENTS OF THE RÉMY COINTREAU GROUP AT 31 MARCH 2020

5.1 Consolidated income statement

(in € millions)	Notes	2020	2019
Net sales	16	**1,024.8**	**1,125.9**
Cost of sales		(347.9)	(415.1)
Gross margin		**676.9**	**710.9**
Distribution costs	17	(355.0)	(346.0)
Administrative expenses	17	(106.8)	(100.7)
Current operating profit/(loss)	16	**215.1**	**264.1**
Other operating expenses	19	(19.7)	1.7
Operating profit/(loss)		**195.5**	**265.8**
Cost of net financial debt		(12.7)	(13.7)
Other financial income/(expense)		(15.3)	(18.8)
Net financial income/(expense)	20	**(28.0)**	**(32.5)**
Profit/(loss) before tax and before share in profit/(loss) of associates		**167.5**	**233.3**
Income tax	21	(60.9)	(67.7)
Share in profit/(loss) of associate	6	0.3	(6.7)
Profit/(Loss) from continuing operations		**106.9**	**159.0**
Net profit/(loss) from discontinued operations	22	6.4	-
Net profit/(loss) for the period		**113.2**	**159.0**
Of which:			
attributable to non-controlling interests		(0.1)	(0.2)
attributable to owners of the parent		113.4	159.2
Net earnings per share – from continuing operations *(in €)*			
basic		2.15	3.17
diluted		2.04	3.02
Net earnings per share – attributable to owners of the parent *(in €)*			
basic		2.28	3.18
diluted		2.17	3.03
Number of shares used for the calculation			
basic	11.2	49,806,712	50,068,992
diluted	11.2	52,400,986	52,680,567

5.2 Consolidated statement of comprehensive income

(in € millions)	2020	2019
Net profit/(loss) for the period	**113.2**	**159.0**
Movement in the value of hedging instruments	5.3	(15.1)
Actuarial difference on pension commitments	(0.5)	0.1
Securities at fair value through OCI	(4.4)	-
Related tax effect	(2.2)	5.1
Movement in translation differences	(3.5)	2.3
Total income/(expenses) recorded in equity	**(5.2)**	**(7.6)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**108.1**	**151.4**
Of which:		
attributable to owners of the parent	108.1	151.5
non-controlling interests	(0.1)	(0.1)

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5.3 Consolidated statement of financial position

(in € millions)	Notes	2020	2019
Goodwill and other intangible assets	3	498.2	515.4
IFRS 16 Right-of-use assets	4	20.8	27.2
Property, plant and equipment	5	310.1	269.3
Investments in associates	6	0.9	1.1
Other financial assets	7	87.3	93.9
Deferred tax liability	21	23.2	17.5
Non-current assets		**940.6**	**924.4**
Inventories	8	1,363.9	1,245.5
Trade and other receivables	9	199.4	271.1
Income tax receivables	21	10.4	3.3
Derivative financial instruments	15	5.1	1.8
Cash and cash equivalents	10	269.4	178.6
Current assets		**1,848.2**	**1,700.2**
TOTAL ASSETS		**2,788.7**	**2,624.6**
Share capital		80.2	80.2
Share premium		795.1	795.1
Treasury shares		(30.0)	(34.4)
Consolidated reserves and profit/(loss) for the period		534.4	558.0
Translation differences		22.7	26.2
Shareholders' equity – attributable to owners of the parent		**1,402.5**	**1,425.1**
Non-controlling interests		0.9	1.0
Shareholders' equity	11	**1,403.4**	**1,426.1**
Long-term financial debt	12	452.0	423.8
Provision for employee benefits		30.3	31.5
Long-term provisions for liabilities and charges	13	2.2	8.1
Deferred tax liability	21	59.4	62.4
Non-current liabilities		**543.9**	**525.8**
Short-term financial debt and accrued interest charge	12	268.3	98.1
Trade and other payables	14	534.4	543.8
Income tax payables	21	18.7	18.4
Short-term provisions for liabilities and charges	13	11.5	2.3
Derivative financial instruments	15	8.7	10.1
Current liabilities		**841.5**	**672.7**
TOTAL EQUITY AND LIABILITIES		**2,788.7**	**2,624.6**

5.4 Change in consolidated shareholders' equity

						Attributable to:		
(in € millions)	Share capital and premium	Treasury shares	Reserves and net profit/(loss)	Translation differences	Profit/(loss) recorded in equity	owners of the parent	noncontrolling interests	Total equity
At 1 April 2018	**885.3**	**(20.5)**	**507.6**	**24.0**	**(13.4)**	**1,383.0**	**1.1**	**1,384.1**
Net profit/(loss) for the period	-	-	159.2	-	-	159.2	(0.2)	159.0
Gains/(losses) recorded in equity	-	-	-	2.2	(9.9)	(7.7)	0.1	(7.6)
Share-based payments	-	-	3.1	-	-	3.1	-	3.1
Transactions on treasury shares	-	(103.5)	-	-	-	(103.5)	-	(103.5)
Dividends	73.4	-	(82.5)	-	-	(9.1)	-	(9.1)
Capital reduction	(83.3)	83.3	-	-	-	-	-	-
Reclassification	-	6.3	(6.3)	-	-	-	-	-
At 31 March 2019	**875.4**	**(34.4)**	**581.2**	**26.2**	**(23.2)**	**1,425.1**	**1.0**	**1,426.1**
Net profit/(loss) for the period	-	-	113.4	-	-	113.4	(0.1)	113.2
Gains/(losses) recorded in equity	-	-	-	(3.5)	(1.7)	(5.2)	0.1	(5.2)
Share-based payments	-	-	3.6	-	-	3.6	-	3.6
Transactions on treasury shares	-	(1.9)	-	-	-	(1.9)	-	(1.9)
Dividends	-	-	(132.0)	-	-	(132.0)	-	(132.0)
Reclassification	-	6.4	(6.4)	-	-	-	-	-
Other movements	-	-	(0.5)	-	-	(0.5)	-	(0.5)
AT 31 MARCH 2020	**875.4**	**(30.0)**	**559.3**	**22.7**	**(24.9)**	**1,402.5**	**0.9**	**1,403.4**

5.5 Consolidated statement of cash flows

(in € millions)	Notes	2020	2019
Current operating profit/(loss)		215.1	264.1
Depreciation, amortisation and impairment		33.4	30.3
Share-based payments		3.6	3.1
Dividends received from associates	6	0.3	0.5
EBITDA		**252.4**	**298.1**
Change in inventories	8	(128.7)	(69.6)
Change in trade receivables		74.0	(45.5)
Change in trade payables		(4.5)	(46.3)
Change in other receivables and payables		(13.1)	(0.1)
Change in working capital requirement	24	**(72.3)**	**(161.6)**
Net cash flow from operations		**180.2**	**136.5**
Other operating income/(expense)		(0.7)	(3.8)
Financial result		(13.1)	(15.4)
Income tax		(85.8)	(64.1)
Other operating cash flows		**(99.7)**	**(83.4)**
Net cash flow from operating activities		**80.5**	**53.1**
Purchase of intangible assets and property, plant and equipment	3/5	(64.8)	(44.6)
Disposal of intangible assets and property, plant and equipment		1.0	4.6
Disposal of shares in associates and non-consolidated investments	7	9.1	1.4
Net cash flow from other investments	7	2.3	85.5
Net cash flow from investment activities		**(52.5)**	**46.9**
Treasury shares	11	(1.9)	(103.5)
Payment of lease liabilities – IFRS 16	4	(6.8)	(6.4)
Increase in financial debt	12	220.9	40.2
Repayment of financial debt	12	(18.1)	(23.0)
Dividends paid		(132.0)	(9.1)
Net cash flow from financing activities		**62.1**	**(101.8)**
Translation differences on cash and cash equivalents		0.6	(6.4)
Change in cash and cash equivalents		**90.8**	**(8.2)**
Cash and cash equivalents at start of year	10	**178.6**	**186.8**
Cash and cash equivalents at end of year	10	**269.4**	**178.6**

5.6 Notes to the consolidated financial statements

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Introduction

Rémy Cointreau is a *société anonyme* (joint stock company) with a Board of Directors subject to French legislation and in particular the French Commercial Code. Rémy Cointreau shares are listed on Euronext Paris.

The consolidated financial statements presented below were approved by the Board of Directors on 3 June 2020. They will be submitted for shareholder approval at the Shareholders' Meeting on 23 July 2020.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Rémy Cointreau's financial year runs from 1 April to 31 March. The consolidated financial statements are presented in millions of euros.

In accordance with European regulation (EC) No. 1606/2002 of 19 July 2002, Rémy Cointreau's consolidated financial statements are prepared in accordance with international accounting standards applicable within the European Union as of 31 March 2020.

The accounting principles applied in the preparation of the consolidated financial statements for the period ended 31 March 2020 comply with IFRS, as adopted by the European Union. These standards can be consulted on the European Commission website at:

www.eur-lex.europa.eu

Changes to accounting principles compared with the previous financial year

The standards and amendments for which application was first compulsory from 1 January 2019 and which impacted the Group's consolidated financial statements are as follows:

- IFRIC 23 "Uncertainty over income tax treatments" is mandatory for financial years beginning on or after 1 January 2019. In accordance with IFRIC 23, tax risks relating to income tax – which were previously recognised under provisions – are now recognised as income tax payables. At 31 March 2020, following the application of this interpretation, the Group reclassified €7.4 million from "Provisions for liabilities and charges" to "Income tax payables." The application of this interpretation has not had any other significant impact on the Group's financial statements.

As a reminder, IFRS 16 "Leases" was applied in advance as from 1 April 2018. The Group selected the "simplified retrospective" method in applying the measures stipulated by the standard. The procedures and impacts of first-time application were set out in the consolidated financial statements to 31 March 2019.

The standards and amendments for which application was first mandatory from 1 January 2019 and which had no significant impact on the Group's consolidated financial statements are as follows:

- amendments to IFRS 3 entitled "Definition of a business";
- amendments to IFRS 9 entitled "Prepayment Features with Negative Compensation";
- amendments to IAS 19 entitled "Plan Amendment, Curtailment or Settlement";
- amendments to IAS 28 entitled "Long-term Interests in Associates and Joint Ventures";
- IFRS annual improvement cycle 2015-2017.

The standards, interpretations and amendments not yet adopted by Europe but eligible for early application as from 1 January 2019, and for which the Group did not choose early application for the consolidated financial statements for the year ended 31 March 2020, are as follows:

- amendments to IAS 1 and IAS 8: amendment of the definition of the term "material".

NOTE 1.1 USE OF ESTIMATES

The preparation of the financial statements in accordance with International Financial Reporting Standards requires the use of estimates and assumptions that have a bearing on the amounts reported in the financial statements and whose subsequent revision could affect future results. This is particularly the case in respect of the items described below.

Asset impairment tests

The Group regularly uses discounted future cash flow calculations and/or market values of comparable assets for impairment tests performed on the carrying amount of intangible assets with an indefinite useful life when required by standards or circumstances. The underlying parameters of such calculations are subject to assumptions, the future evolution of which may lead to significant changes in subsequent values.

Provisions for liabilities and charges

The recognition of provisions, generally intended to cover compensation payable in the event of disputes with third parties, requires the Group's management to estimate the level of probability associated with this risk and also the outcome of negotiations, transactions and legal proceedings that are or may be conducted with the third parties concerned.

Pension commitments and other post-employment benefits

The valuation of these obligations is determined by the use of actuarial methods involving assumptions in respect of the discount rate, expected return on plan assets, salary increases, life expectancy, etc. Given the long-term nature of these obligations, any changes to these assumptions may have a material impact on the valuation.

Derivative financial instruments

Derivative financial instruments held by the Group in connection with its ordinary activities, mainly in the form of options, are valued using the methods prevailing in the financial markets. Note that these valuations are based on market data as at the balance sheet date. These values may fluctuate rapidly due to constant changes in the financial markets.

NOTE 1.2 CONSOLIDATION METHODS

Rémy Cointreau is the consolidating company.

The financial statements of the companies under the exclusive control of Rémy Cointreau are fully consolidated. An investor controls an issuing entity when it is exposed or has rights to variable returns due to its ties with the issuing entity and it has the ability to influence these returns due to the power that it holds over the entity. Consequently, the investor controls an issuing entity if, and only if, all the items below are present:

- it holds power over the issuing entity;
- it is exposed or has rights to variable returns due to its ties with the issuing entity (special purpose entities, see also note **1.7**);
- it has the ability to exercise power over the issuing entity such as to influence the amount of returns it obtains.

Equity investments in companies in which the Group exercises significant influence (associates) are accounted for by the equity method. A significant influence is presumed to exist, unless it is clearly shown that this is not the case, when the parent company holds, directly or indirectly, 20% or more of the voting rights in the Company.

Consolidated companies prepare their financial statements in accordance with generally accepted accounting principles in their country. Where necessary, adjustments are made to these financial statements to bring their accounting policies into line with those used by the Group.

All significant transactions between consolidated companies as well as intra-Group gains and losses are eliminated on consolidation.

NOTE 1.3 TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN SUBSIDIARIES

The consolidated financial statements of the Rémy Cointreau Group are stated in euros, the functional currency of Rémy Cointreau SA.

The balance sheets of subsidiaries, whose functional currency is not the euro, are translated at the closing exchange rate. The income statements and statements of cash flows are translated at the average exchange rate for the period concerned. Differences arising from the use of different exchange rates are recognised directly in equity under “Translation differences” until the sale or liquidation of the subsidiary concerned.

NOTE 1.4 FOREIGN-CURRENCY TRANSACTIONS

In relation to each entity, transactions denominated in currencies other than the functional currency are recorded in the functional currency using the exchange rate applicable on the date of transaction. At the end of each period, monetary assets and liabilities denominated in foreign currencies are revalued at the closing exchange rate. The resulting differences are recognised in either the operating profit/(loss) or net financial income/(expense) depending on the nature of the underlying transactions.

By way of exception, revaluation differences relating to transactions classified as net investment hedges are recognised directly in equity under “Translation differences”.

As a general rule, distribution subsidiaries invoice their customers in the functional currency of the customer and make purchases from production subsidiaries in their own functional currency (not in the functional currency of the production company). The majority of the Group’s production subsidiaries are located in the euro zone, despite the euro representing only 25% of its sales. As a result, production subsidiaries and some distribution subsidiaries are significantly exposed to changes in foreign exchange rates.

The Group manages this risk, and other similar risks associated with the financing of its “non euro” subsidiaries, centrally through the use of derivative financial instruments which are recognised in accordance with IFRS 9. The hedging instruments are concluded over a rolling 18-month period. At the end of each period, the Group may retain a portfolio of instruments intended to hedge the cash flows of subsequent years. Over the course of the financial year, the instruments retained at the start of the year reach maturity.

The revaluation effects of foreign currency derivative financial instruments at the end of each period are recognised in financial income for the portion that must be recorded as income in accordance with the standard, regardless of the type of cash flows hedged (trading or financial). These revaluations, dependent upon the closing exchange rate for each currency, have no bearing on the income that will actually be generated upon maturity of the instruments.

The income actually generated upon maturity of financial instruments allocated in the financial year is recorded in either gross margin or financial income depending on the type of cash flows hedged (trading or financial).

NOTE 1.5 BUSINESS COMBINATIONS AND GOODWILL

Goodwill represents the difference between the cost of acquisition of the businesses and the fair value of identifiable assets and liabilities at the date of acquisition.

In accordance with IFRS 3 “Business combinations”, goodwill is not amortised but is subject to impairment testing at least annually and as soon as there is any indication of a decrease in value. For the purpose of this testing, goodwill is allocated to Cash Generating Units (CGUs).

Costs related to an acquisition are recognised in profit and loss for the periods in which the costs are incurred and the services received. They are classified as “Other operating income and expenses” in the consolidated income statement and as net cash flow from investment activities in the consolidated cash flow statement.

NOTE 1.6 DEFINITION OF CERTAIN INDICATORS

A) Net sales

Net sales include wholesale trading of finished goods in branded wines and spirits marketed by the Group:

- to distributors;
- to agents;
- to wholesalers, mainly in North America and China.

These sales are recognised when control has been transferred to the customer, which generally occurs on shipment.

These amounts are stated net of duties and taxes and are determined by reference to customer prices. Sales to wholesalers are recognised net of any provisions for discounts, rebates and other forms of trade agreements when they result in the customer ultimately paying a lower price for the goods.

B) Current operating profit, operating profit, net profit/(loss) from discontinued operations

Current operating profit/(loss) comprises all elements relating to the Group's activities with the exception of:

- the operating profit from operations that were deconsolidated or discontinued during the period or for which plans to this effect have been approved by the Board of Directors. The corresponding operating profit/(loss) is reclassified in the item "Net profit/(loss) from discontinued operations" together with other items of income and expense relating to these activities;
- items that, given their nature, frequency and materiality, cannot be considered as part of the Group's ordinary activities and which affect inter-period comparisons. They include notably impairment provisions in respect of brands and other non-current assets recognised as a result of impairment tests (see note **3**), provisions for restructuring and litigation, and significant gains and losses on the sale of assets other than those relating to operations that already have been, or are to be, discontinued.

C) Earnings before interest, tax, depreciation and amortisation (EBITDA)

This aggregate is used to calculate certain ratios. It corresponds to: current operating profit + depreciation and amortisation expenses on property, plant and equipment and intangible assets for the period + expenses relating to stock option and similar plans + dividends paid by associates during the period.

D) Net debt

This measure is used to calculate certain ratios. It corresponds to: long-term financial debt + short-term financial debt and accrued interest - cash and cash equivalents.

NOTE 1.7 CONSOLIDATION OF COOPERATIVES

Since 1 April 2003, the Rémy Cointreau Group has fully consolidated as a special purpose entity, the Alliance Fine Champagne (AFC) co-operative, in respect of the scope of operations relating to Rémy Cointreau.

This consolidation is reflected by the recognition in the consolidated statement of financial position of the inventories that AFC holds and intends to deliver to Rémy Cointreau. These inventories include inventories held by the distillers in connection with three-year supply agreements. Corresponding entries are included in financial debt and trade payables. The resulting finance costs are also included in the Rémy Cointreau Group's cost of financial debt.

NOTE 2 IMPACT OF COVID-19

The last quarter of the financial year was indelibly marked by the Covid-19 pandemic, which prompted an emergency health statement by the World Health Organization on 30 January 2020. The health-related measures taken in every country resulted in the closing of certain venues where the Group's products are sold, specifically the on-trade sector and Travel Retail. The Group took all measures to protect its employees' health and also fully assumed all of its societal responsibilities by contributing wherever it could to the production of hand sanitizer, donating materials, equipment, and money, and not using any government subsidies.

On 2 and 29 April 2020, the Group had issued an estimate of the impact of the pandemic on its yearly earnings, *i.e.* an expected 26% loss in organic net sales in the last quarter, resulting in an organic decline in yearly net sales in the order of 12%, and a 25% decrease in current operating profit.

This global crisis will continue to affect the Group's operations during the coming financial year. Cost-cutting measures have been implemented without compromising the Group's strategy. Furthermore, the Group remains confident that its financing will remain available and its debt controlled. Financial debt, which is a key indicator for the Group's management, is the subject of continuously updated forecasts. The Rémy Cointreau Group's balance sheet structure is solid, and the Group is confident that it can emerge from this crisis even stronger.

NOTE 3 GOODWILL AND OTHER INTANGIBLE ASSETS

With the exception of software licences, "Brands and other intangible assets" mainly comprises the value of intangible assets identified when acquisitions are made by the Group: residual goodwill, brands, distribution rights.

For certain brands owned by the Group, the value recorded in the balance sheet is the result of the acquisition of non-controlling interests or businesses subsequent to the creation or inclusion of the brand. The amount recorded in the balance sheet therefore represents only a percentage of the value of the brand.

The values recorded under "Brands" in the Rémy Cointreau Group's statement of financial position are not amortised as they have the benefit of legal protection, generate higher earnings than those of similar unbranded products and have an indefinite useful life.

Brands are tested for impairment at least annually at the period end and as soon as there is any indication of a decrease in value. These tests, described below, also relate to goodwill and distribution rights, where appropriate.

Expenditure incurred to create new brands or to develop existing brands and all expenses relating to the registration and legal protection of brands are systematically recognised in the income statement for the period in which they are incurred.

Pursuant to IAS 38 "Intangible assets", advertising and promotional expenses are recorded as expenses in the period in which they are incurred.

The Rémy Cointreau Group does not capitalise any research and development costs.

Other intangible assets are amortised over a period of three to seven years.

IMPAIRMENT TESTS

For impairment tests performed on the carrying amount of intangible assets with an indefinite useful life, when required by standards or circumstances, the Group regularly uses discounted future cash flow calculations and/or market values of comparable assets. The underlying parameters of such calculations are subject to assumptions, the future evolution of which may lead to significant changes in subsequent values.

The value in use of assets is tested as soon as there is any indication that it may be impaired, and automatically at each year-end in the case of assets with an indefinite useful life.

When impairment tests indicate that the present value is less than the carrying amount and that this loss is deemed to be permanent, impairment is recognised in the income statement.

For these tests, assets are allocated to Cash Generating Units (CGUs). In the Group's case, the structure of these units is based on the brand portfolio. Each brand or group of brands constitutes a unit when the brand or brands generate cash inflows that are largely independent of those generated by other brands or groups of brands.

These tests consist of comparing the carrying amount of the assets or Group of assets with their present value, the latter being the higher of their value in use and their market value less any costs involved in selling the assets.

The principal method used to estimate value in use is based on the present value of estimated future cash flows (excluding interest) generated by the use of each brand, asset or group of assets. Cash flows are estimated based on medium-term plans, the duration of which is tailored to the individual characteristics of each business. For example, the duration is five years for brands without ageing processes and 12 years for those with ageing processes. The terminal value is determined by applying a perpetual growth rate. Different discount rates are used and include a specific risk premium for each business.

When recent transactions involving similar assets have taken place, the multiples for these transactions are used to determine market value.

With respect to operational entities that the Group's management has decided to sell, the assets concerned are stated at the lower of their carrying amount and estimated market value after transaction costs. If negotiations are in progress, the value is based on the best estimate of their outcome as of the balance sheet date.

(in € millions)	Goodwill	Brands	Distribution rights	Other	Total
Gross value at 31 March 2019	**50.3**	**512.1**	**3.8**	**43.9**	**610.3**
Acquisitions	-	-	-	7.3	7.3
Disposals, items scrapped	-	-	-	(4.3)	(4.3)
Derecognition	-	-	-	(0.4)	(0.4)
Translation differences	(0.1)	0.0	0.1	0.2	0.2
Gross value at 31 March 2020	**50.3**	**512.2**	**3.9**	**46.8**	**613.1**
Accumulated depreciation and impairment at 31 March 2019	**2.0**	**61.0**	**3.8**	**28.0**	**94.9**
Increase	18.8	-	-	5.1	23.9
Disposals, items scrapped	-	-	-	(4.3)	(4.3)
Derecognition	-	-	-	(0.4)	(0.4)
Translation differences	0.3	0.3	0.1	0.1	0.8
Accumulated depreciation and impairment at 31 March 2020(1)	**21.1**	**61.3**	**3.9**	**28.6**	**114.9**
Net carrying amount at 31 March 2019	**48.3**	**451.2**	**0.0**	**15.9**	**515.4**
Net carrying amount at 31 March 2020	**29.1**	**450.9**	**0.0**	**18.2**	**498.2**

(1) *Impairment of the balance of goodwill: Westland €19.1 million (partial impairment), Mount Gay €2.0 million euros (total impairment). Brand impairment: Metaxa €45.0 million (partial impairment), Mount Gay €8.2 million (total impairment), other secondary brands €8.1 million.*

“Other” mainly includes software acquired and developed internally.

The "Goodwill" item, at a net value of €29.1 million at 31 March 2020, includes the goodwill generated upon the acquisitions of Bruichladdich Distillery Company Ltd (September 2012), Domaines des Hautes Glaces (January 2017), and The Westland Distillery Company (January 2017). Westland's relative goodwill was partially impaired for €18.8 million for the financial year ended 31 March 2020 (€19.1 million at closing rate). This impairment loss results from the application of the relevant accounting standards (see below), which do not enable the long-term business model that the Group is developing for such brands to be taken into account. The Group is continuing to invest strongly to support this brand, which is a perfect reflection of the Group's values: "Terroir, people and time".

The "Brands" item, with a net value of €450.9 million at 31 March 2020, includes:

At 31 March in € millions	Net carrying amount	
"Historical" brands: Rémy Martin and Cointreau	281.8	These values come from the recognition of minority interest buybacks and do not therefore represent a comprehensive assessment of these brands.
Acquired brands of significant importance: Metaxa, Bruichladdich, Westland	165.9	Metaxa brand acquired in 2000. Bruichladdich (including Port Charlotte and Octomore) brands acquired in 2012. Westland brand acquired in 2017.
Other acquired brands of secondary importance	3.2	
Total	450.9	

Impairment test of brands and other intangible assets

In accordance with IAS 36, goodwill and brands that are attached or part of various Cash-Generating Units (CGUs) are tested each year to measure their net carrying amount against their present value.

At 31 March 2020, these tests included the recommendations of accounting standard setters in view of the COVID-19 global health crisis. In particular, the future cash flows being used to calculate the value in use of the various CGUs were subjected to specific scenarios to account for the potential impact of the health crisis, which began at the end of the financial year, over the next two years.

What follows is a summary of the tests carried out at 31 March 2020:

CGU	Discount rate after tax	Perpetual growth rate	Test result	Sensitivity Discount rate +50 basis points	Sensitivity Perpetual growth rate -50 basis points
Rémy Martin	7.6%	2.5%	No impairment	No impairment	No impairment
Cointreau	7.1%	2.2%	No impairment	No impairment	No impairment
Metaxa	7.6%	2.4%	No impairment	Impairment of €10 million	Impairment of €8 million
Bruichladdich	9.7%	2.2%	No impairment	No impairment	No impairment
Westland	9.6%	2.1%	Partial impairment	Impairment of €3 million	Impairment of €6 million

NOTE 4 IFRS 16 RIGHT-OF-USE ASSETS

IFRS 16 "Leases" will become mandatory for financial years beginning on or after 1 January 2019. Rémy Cointreau had opted for the early application of this standard, from 1 April 2018. The chosen transition method was the "simplified retrospective" method, with the implementation of the simplifying measures envisaged in the standard (exclusion of contracts of less than one year and exclusion of contracts for low-value assets).

The discount rate used corresponds to each company's incremental borrowing rate at 1 April 2018 for all contracts outstanding at that date. For new leases, the prevailing rate at the lease inception date is used. The discount rates range from 1% to 6.5% and are calculated on the basis of the entity's risk profile and the maturity of the restated contract. They include a country risk component.

Restatements apply to operating leases, mainly for offices and warehouses. The period used for the valuation of these rental commitments runs until January 2029 and corresponds to the potentially extended contractual term if the Group intends to exercise a renewal option.

Pursuant to IFRS 16, leases are recognised as rights-of-use for the underlying assets in return for a liability representing the present value of future rents. The rights-of-use are depreciated while the liability is reduced in the amount of the rent paid during the financial year. A financial expense rec-ords the effect of the accretion of the liability.

NOTE 4.1 ANALYSIS OF CHANGE

At 31 March *(in € millions)*	Gross amount	Depreciation and amortisation	Total
At 31 March 2019	**34.1**	**(6.9)**	**27.2**
New leases or extension of lease terms	3.1	-	3.1
Expired leases	(1.0)	-	(1.0)
Derecognition	(2.0)	0.4	(1.6)
Depreciation and amortisation	-	(7.1)	(7.1)
Translation differences	0.2	(0.1)	0.1
Other movements	(0.2)	0.2	-
At 31 March 2020	**34.3**	**(13.5)**	**20.8**

The rental expense for contracts excluded from IFRS 16 is not significant.

NOTE 4.2 BREAKDOWN BY ASSET CATEGORY

	Net carrying amount		Depreciation and amortisation expense	
At March 31 *(in € millions)*	2020	2019	2020	2019
Offices	18.2	23.8	(6.3)	(5.9)
Warehouses and production sites	2.2	2.7	(0.4)	(0.6)
Other	0.4	0.6	(0.4)	(0.3)
TOTAL	**20.8**	**27.2**	**(7.1)**	**(6.9)**

NOTE 5 PROPERTY, PLANT AND EQUIPMENT

GROSS AMOUNT

In accordance with IAS 16 "Property, Plant and Equipment", the gross value of items of property, plant and equipment corresponds to their acquisition or production cost. These assets are not revalued subsequently.

Their value does not include any finance costs.

Capital grants are deducted from the cost of the property, plant or equipment to which they relate.

Maintenance and repair costs are recognised in the income statement when incurred, except when intended to increase productivity and/or to extend the useful life of an asset.

The assets concerned are depreciated using the methods and useful lives described below.

DEPRECIATION

Depreciation is calculated using the straight-line method applied to the acquisition cost less any estimated residual value.

The Rémy Cointreau Group's property, plant and equipment are predominantly used in production. Given that they are used until the end of their estimated useful lives, it is deemed that they have no material residual value.

Depreciation is based on the estimated useful lives of the different categories of property, plant and equipment, being the periods during which it is estimated that the Group will derive economic benefits from these assets.

• Buildings, depending on the components	10-75 years
• Stills, casks, vats	35-50 years
• Technical plant, machinery and equipment	3-15 years
• Computer hardware	3-5 years
• Other non-current assets	5-10 years

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At 31 March *(in € millions)*	Land	Buildings	Other	In progress	Total
Gross value at 31 March 2019	**18.6**	**146.6**	**302.2**	**18.8**	**486.2**
Acquisitions	3.3	14.6	14.9	30.2	63.0
Disposals, items scrapped	(0.4)	(1.8)	(6.4)	-	(8.6)
Derecognition	-	(0.0)	(0.1)	-	(0.1)
Other movements	0.2	7.1	5.8	(12.0)	1.0
Translation differences	0.0	(0.5)	(0.0)	0.1	(0.5)
Gross value at 31 March 2020	**21.7**	**165.9**	**316.4**	**37.0**	**541.1**
Accumulated depreciation and impairment at 31 March 2019	**3.0**	**55.7**	**158.2**	**-**	**216.9**
Increase	0.3	4.3	16.6	-	21.2
Disposals, items scrapped	(0.3)	(1.0)	(5.9)	-	(7.3)
Derecognition	-	(0.0)	(0.1)	-	(0.1)
Other movements	0.0	0.2	(0.0)	-	0.2
Translation differences	-	0.0	(0.0)	-	(0.0)
Accumulated depreciation and impairment at 31 March 2020	**3.0**	**59.2**	**168.8**	**-**	**231.0**
Net carrying amount at 31 March 2019	**15.6**	**90.9**	**144.0**	**18.8**	**269.3**
Net carrying amount at 31 March 2020	**18.7**	**106.7**	**147.7**	**37.0**	**310.1**

As of 31 March 2020, no property, plant or equipment owned by the Group was subject to impairment provisions. These non-current assets are unencumbered.

During the financial year ended 31 March 2020, acquisitions mainly concerned major investment programmes at the Cognac, Islay, Barbados, Seattle and St-Jean-d'Hérans production sites (new buildings or renovation of existing facilities).

NOTE 6 INVESTMENTS IN ASSOCIATES

Investments in associates represent equity interests in companies meeting the principle described in note **1.2**.

At 31 March *(in € millions)*	Spirits Platform	Total
At 31 March 2019	**1.1**	**1.1**
Dividend paid	(0.3)	(0.3)
Profit/(loss) of the period	0.3	0.3
Translation differences	(0.1)	(0.1)
At 31 March 2020	**0.9**	**0.9**

On 31 July 2015, the Rémy Cointreau Group acquired a 37% stake in Spirits Platform Pty Ltd. for €0.7 million. When this company was created, a €0.4 million loan was granted to certain shareholders for a five-year term, recognised in "Other financial assets." Spirits Platform Pty Ltd., consolidated using the equity method, distributes Rémy Cointreau's brand portfolio in the Australian market.

Its financial year-end is 30 September. Its net sales for the Rémy Cointreau financial year ended 31 March 2020 totalled €33.6 million (€31.6 million at 31 March 2019). Its total assets amounted to €15.1 million at 31 March 2020 (2019: €15.1 million).

In the financial year ended 31 March 2020, the Rémy Cointreau Group generated net sales of €7.6 million with Spirits Platform (2019: €8.2 million).

NOTE 7 OTHER FINANCIAL ASSETS

At 31 March *(in € millions)*	2020	2019
Non-consolidated equity investments (note **7.1**)	10.4	14.4
Other equity investment financial assets (note **7.2**)	71.3	71.3
Sub-leasing assets – IFRS 16 (note **7.3**)	2.2	2.6
Loans to non-consolidated equity investments	0.3	0.4
Liquidity account excluding Rémy Cointreau shares (note **7.4**)	1.5	3.9
Other	1.5	1.3
TOTAL	**87.3**	**93.9**

NOTE 7.1 NON-CONSOLIDATED EQUITY INVESTMENTS

At 31 March *(in € millions)*	% held	2020	% held	2019
Dynasty Fine Wines Group Ltd. (China)	27.0%	9.9	27.0%	13.9
Balachoa-Vinhos de Portugal (Portugal)	0.8%	0.5	0.8%	0.5
TOTAL		**10.4**		**14.4**

This item mainly includes the valuation of the investment in the Chinese Dynasty Fine Wines group, a major wine player in China, listed on the Hong Kong stock exchange. Said equity investment is recognised in accordance with IFRS 9. With a closing share price of HKD 0.25, the valuation of the investment was €9.9 million at 31 March 2020, representing a decrease of €4.0 million (€4.4 million before the currency effect) compared to the financial year ended 31 March 2019 for which the counterparty was recorded under equity.

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NOTE 7.2 OTHER EQUITY INVESTMENT FINANCIAL ASSETS

Following an agreement entered into on 14 October 2016, Rémy Cointreau and Lucas Bols NV created a joint venture, Passoa SAS, to oversee the operation and continued development of the Passoa brand. The parties issued put and call options on their respective securities in Passoa SAS which may not be exer-cised before 1 December 2020. Unwinding of these instruments could enable Lucas Bols NV to acquire all the securities held by the Rémy Cointreau Group in Passoa SAS. The fair value of these instruments is recorded under “Other equity investment financial assets” for their estimated realisable value at 31 March 2020, €71.3 million.

NOTE 7.3 SUB-LEASING ASSETS – IFRS 16

This sub-leasing asset is linked to the application of IFRS 16 (Note 4) and relates to an office lease in the United States.

NOTE 7.4 LIQUIDITY ACCOUNT

Since the financial year ended 31 March 2006, Rémy Cointreau signed a liquidity agreement with a financial intermediary. This type of agreement does not qualify as “Cash and cash equivalents”. Furthermore, the balance on the account corresponding to the value of Rémy Cointreau shares held under the agreement is reclassified as treasury shares as a deduction from consolidated equity (note **11.1**).

NOTE 8 INVENTORIES

Inventories are recognised when the risks and rewards of their ownership have passed to the Rémy Cointreau Group. The application of this principle which is part of the IFRS conceptual framework, results in the recognition of inventories that are held physically and legally by third parties. The counterparty to these inventories is generally recorded in trade payables.

Inventories are stated at the lower of cost and net realisable value.

A substantial part of the inventories held by the Rémy Cointreau Group consists of *eaux-de-vie* (cognac, brandy, rum, malt Scotch whisky) that are undergoing ageing. These inventories may be held for periods ranging from 3 to more than 70 years. They remain classified within current assets in accordance with industry practice.

Inventories originating from agricultural assets owned or operated directly by the Group are not material.

The inventories undergoing ageing are recognised at cost, excluding interest, which is recorded in financial expenses in the period during which it is incurred. The cost price comprises the purchase price plus incidental costs and is increased each year by including costs directly attributable to the ageing process as well as to reflect evaporation.

The approach used to determine realisable value takes into account the sale price of the finished goods developed using these inventories.

Finished goods inventories are stated at the lower of the cost price calculated using the weighted average cost method and net realisable value.

NOTE 8.1 BREAKDOWN BY CATEGORY

At 31 March *(in € millions)*	March 2020	March 2019
Raw materials	38.7	31.6
Ageing wines and *eaux-de-vie*(1)	1,222.2	1,103.4
Goods for resale and finished goods	106.0	114.4
Gross amount	**1,366.9**	**1,249.4**
Provision for impairment	(2.9)	(4.0)
Carrying amount	**1,363.9**	**1,245.5**

(1) Of which AFC inventories (March 2020: €316.5 M, March 2019: €298.7 M).

As of 31 March 2020, some inventories were subject to agricultural warrants for €62.0 million (2019: €70.0 million).

NOTE 8.2 ANALYSIS OF CHANGE

(in € millions)	Gross amount	Impairment	Carrying amount
Balance at 31 March 2019	**1,249.4**	**(4.0)**	**1,245.5**
Movement	128.7	0.9	129.6
Derecognition	(8.2)	0.2	(8.0)
Translation differences	(3.1)	(0.0)	(3.1)
Balance at 31 March 2020	**1,366.9**	**(2.9)**	**1,363.9**

NOTE 9 TRADE AND OTHER RECEIVABLES

Trade receivables, which are generally collected within three months, are stated at nominal value.

At 31 March *(in € millions)*	March 2020	March 2019
Trade receivables	103.8	194.5
Receivables related to taxes and social charges (excl. income tax)	20.4	13.1
Sundry prepaid expenses	8.7	8.9
Advances paid	47.9	39.3
Other receivables	18.5	15.3
TOTAL	**199.4**	**271.1**
of which provision for doubtful debts	(1.7)	(2.3)

At 31 March 2020, the breakdown of trade receivables by maturity was as follows:

			Due	
At 31 March *(in € millions)*	Total	Not yet due	Less than 3 months	More than 3 months
Trade receivables gross	**105.5**	**68.7**	**19.0**	**17.7**

The Group is engaged in factoring programmes in Europe, the United States, and Asia-Pacific (excluding China) with specialised companies, top-tier bank subsidiaries.

Through these programmes, the Group is able to transfer to the factor all credit and carrying risks related to the accounts receivable of certain customers, up to a certain credit limit.

These programmes meet the conditions set forth by IFRS 9 enabling the Group to deconsolidate its receivables once they are trans-ferred to the factor.

Factoring programmes put in place at 31 March 2020 have accelerated €97.9 million in customer payments (2019: €48.9 million).

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NOTE 10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash and short-term investments that are considered highly liquid, can be converted into a known amount of cash and involve immaterial risk of loss in value in relation to the criteria specified in IAS 7.

At 31 March *(in € millions)*	March 2020	March 2019
Short-term deposits	-	0.6
Cash at bank	269.4	178.0
TOTAL	**269.4**	**178.6**

At year-end, due to the context stemming from the health crisis, the Group made drawdowns in excess of its needs from its credit facilities in order to secure the financing of the first quarter of the next financial year. This explains the sharp increase in the "Cash and cash equivalents" item between the two financial years.

NOTE 11 SHAREHOLDERS' EQUITY

NOTE 11.1 SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	Number of shares	Treasury shares	Total number of shares	Share capital	Share premium	Treasury shares
At 31 March 2019	**50,149,787**	**(342,088)**	**49,807,699**	**80.2**	**795.1**	**(34.4)**
2016 bonus share plan	-	66,700	66,700	-	-	6.4
Liquidity account	-	(24,678)	(24,678)	-	-	(1.9)
At 31 March 2020	**50,149,787**	**(300,066)**	**49,849,721**	**80.2**	**795.1**	**(30.0)**

Share capital and premium

At 31 March 2020, the share capital consisted of 50,149,787 shares with a par value of €1.60.

Treasury shares

Treasury shares: Group investments in Rémy Cointreau shares are deducted from consolidated equity at their acquisition cost. These shares are generally held with the aim of serving bonus share plans or under a liquidity contract.

At 31 March 2020, Rémy Cointreau held 269,485 treasury shares intended to cover current or future bonus share plans and 30,581 treasury shares under the liquidity contract.

NOTE 11.2 NUMBER OF SHARES USED FOR THE CALCULATION OF EARNINGS PER SHARE

Basic earnings per share are calculated according to the weighted average number of shares in issue during the reporting period, less the average number of treasury shares held over the period.

Diluted earnings per share are calculated based on the weighted average number of shares in issue during the reporting period after deduction of the average number of treasury shares held over the period and plus the weighted average number of shares that would result from the settlement of the bonus share plans outstanding at the reporting date and of any potential conversion of convertible bonds (OCEANE). These calculations are in line with IAS 33.

In the event that diluted earnings per share are higher than basic earnings per share, diluted earnings per share are adjusted to the level of basic earnings per share.

	2020	2019
Average number of shares (basic):		
Average number of shares	50,149,787	50,451,656
Average number of treasury shares	(343,075)	(382,664)
TOTAL USED FOR CALCULATING BASIC EARNINGS PER SHARE	**49,806,712**	**50,068,992**
Average number of shares (diluted):		
Average number of shares (basic)	49,806,712	50,068,992
Dilution effect of bonus share plans	87,725	124,990
Dilution effect on OCEANE	2,506,549	2,486,675
TOTAL USED FOR CALCULATING DILUTED EARNINGS PER SHARE	**52,400,986**	**52,680,657**

NOTE 11.3 BONUS SHARE PLANS

Grant date[1]	Plan No.	Vesting period	Minimum retention period	Rights granted initially	Value of right at grant date	Rights lapsed	Rights granted at the end of the vesting period	Rights outstanding at 31 March 2020
22 November 2016	2016	3 years	2 years	73,600	77.44	6,900	66,700	-
21 November 2017	2017	3 years	2 years	50,900	111.40	9,750	-	41,150
17 January 2019	2019	4 years	-	57,450	101.00	10,875	-	46,575
TOTAL				**181,950**		**27,525**	**66,700**	**87,725**

(1) *The grant date is the date of the Board meeting which decided the allocations under each plan. The 2016 and 2017 plans were authorised by the Combined Shareholders' Meeting of 26 July 2016 and the 2019 plan by the Combined Shareholders' Meeting of 24 July 2018.*

All plans are indexed plans (AGAI). The shares issued to beneficiaries at the end of the vesting period are subject to their continued employment with the Group. The number of shares will depend on the achievement of external and/or internal criteria.

Plan 2016: : this plan expired on 26 November 2019. There were 66,700 rights outstanding, all of which have been granted. Under the plan regulations, the maximum number of shares was granted if the overall performance of Rémy Cointreau stock (TSR – Total Shareholder Return) as at the end of the vesting period was superior to that of a panel of nine luxury goods and/or premium spirits companies. This plan was expected to be serviced in full by the delivery of shares held by Rémy Cointreau.

Plan 2017: the maximum number of shares will be granted if the overall performance of Rémy Cointreau stock (TSR – Total Shareholder Return) as at the end of the vesting period is superior to that of a panel of eight luxury goods and/or premium spirits companies. The Board of Directors will set the share delivery terms (delivery of treasury shares or creation of new shares) when deciding on the final allocation of the plan. At the reporting date, the plan was expected to be serviced in full by the delivery of shares held by Rémy Cointreau.

2019 Plan: 50% of the maximum number of shares will be granted if the overall performance of Rémy Cointreau stock (TSR – Total Shareholder Return) as at the end of the vesting period is superior to that of a panel of 10 luxury goods and/or premium spirits companies. 50% of the maximum number of shares will be granted if the current operating profit has reached the target set (target values defined for financial years 2019/2020 to 2022/2023). The Board of Directors will set the share delivery terms (delivery of treasury shares or creation of new shares) when deciding on the final allocation of the plan. At the reporting date, the plan was expected to be serviced in full by the delivery of shares held by Rémy Cointreau.

No plan was issued during the financial year ended 31 March 2020. A draft plan involving 48,600 shares was postponed *indefinitely* following a decision by the Board of Directors on 24 March 2020.

Calculation of the expense for the year

In accordance with IFRS 2, an expense representing the value of the benefit granted to the beneficiaries of these plans is recognised as operating profit, spread over the vesting period.

The fair value of the rights granted was calculated by independent actuaries.

At 31 March *(in € millions)*	Fair value per right *(in €)*	Total value	2020 expense
Plan 2016	51.12	3.4	0.7
Plan 2017	85.37	3.5	1.2
Plan 2019	82.58	3.8	1.7
TOTAL		**10.8**	**3.6**

NOTE 11.4 DIVIDENDS

The Shareholders' Meeting of 24 July 2019 approved the payment of an ordinary dividend of €1.65 per share in respect of the financial year ended 31 March 2019. It also approved the payment of an extraordinary dividend of €1.00 per share. The dividend was paid out in cash-only on 16 September 2019 in the total amount of €132.0 million.

NOTE 11.5 NON-CONTROLLING INTERESTS

At 31 March *(in € millions)*	2020	2019
Minority interests in Mount Gay Distilleries	0.9	1.0
TOTAL	**0.9**	**1.0**

NOTE 12 FINANCIAL DEBT

Financial resources are stated at nominal value net of costs incurred when arranging this financing. These costs are recognised in the income statement as finance costs using an actuarial calculation (the effective interest rate method), except for costs relating to the syndicated loan, which are amortised using the straight-line method over the term of the contract.

NOTE 12.1 NET FINANCIAL DEBT

	2020			2019		
At 31 March *(in € millions)*	Long term	Short term	Total	Long term	Short term	Total
Gross financial debt	452.0	268.3	720.3	423.8	98.1	521.9
Cash and cash equivalents (note **10**)	-	(269.4)	(269.4)	-	(178.6)	(178.6)
NET FINANCIAL DEBT	**452.0**	**(1.1)**	**450.9**	**423.8**	**(80.5)**	**343.3**

The change in net financial debt over the financial year breaks down as follows:

	2019	Change in cash	Change due to exchange rates	Change IFRS 16	Exit from scope	Amortisation of issue costs and premium	Amortisation of OCEANE equity component	2020
Financial debt of more than one year	423.8	30.0	0.1	(4.9)	(1.2)	0.6	3.6	452.0
Financial debt of less than one year	98.1	167.3	3.5	(0.2)	(0.4)	-	-	268.3
GROSS FINANCIAL DEBT	**521.9**	**197.3**	**3.6**	**(5.1)**	**(1.6)**	**0.6**	**3.6**	**720.3**
Cash and cash equivalents	(178.6)	(96.8)	(0.6)	-	6.6	-	-	(269.4)
NET FINANCIAL DEBT	**343.3**	**100.6**	**3.0**	**(5.1)**	**5.0**	**0.6**	**3.6**	**450.9**

NOTE 12.2 GROSS FINANCIAL DEBT BY TYPE

	2020			2019		
At 31 March *(in € millions)*	Long term	Short term	Total	Long term	Short term	Total
Private bond placement	79.9	-	79.9	79.8	-	79.8
Convertible bonds (OCEANE)	261.3	-	261.3	257.4	-	257.4
Drawdown on syndicated loan	30.0	-	30.0	-	-	-
Upfront fees on syndicated loan	(0.3)	-	(0.3)	(0.4)	-	(0.4)
Partner current account	-	20.0	20.0	-	40.0	40.0
Accrued interest	-	0.7	0.7	-	0.8	0.8
Total Rémy Cointreau SA	**370.8**	**20.7**	**391.5**	**336.9**	**40.8**	**377.6**
Bonds	64.4	-	64.4	64.2	-	64.2
Other financial debt and overdrafts	0.2	185.9	186.0	0.2	0.6	0.8
Accrued interest	-	1.7	1.7	-	1.7	1.7
Borrowings by special purpose entities	-	52.9	52.9	-	47.2	47.2
Lease liabilities – IFRS 16 (note **4**)	16.7	7.1	23.8	22.6	7.7	30.3
Total subsidiaries	**81.2**	**247.6**	**328.8**	**86.9**	**57.3**	**144.2**
GROSS FINANCIAL DEBT	**452.0**	**268.3**	**720.3**	**423.8**	**98.1**	**521.9**

The total amount of confirmed resources available and their utilisation rate is detailed in the note on liquidity risk (note **15.6**).

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NOTE 12.3 GROSS FINANCIAL DEBT BY MATURITY

At 31 March *(in € millions)*	2020	2019
< 1 year	268.3	98.1
1 to 5 years	159.9	86.0
> 5 years	292.2	337.9
TOTAL	**720.3**	**521.9**

NOTE 12.4 GROSS FINANCIAL DEBT BY TYPE OF RATES

	2020			2019		
At 31 March *(in € millions)*	Long term	Short term	Total	Long term	Short term	Total
Fixed interest rate	422.4	80.0	502.3	424.2	94.9	519.2
Variable interest rate	29.7	185.9	215.5	(0.4)	0.6	0.2
Accrued interest	-	2.4	2.4	-	2.5	2.5
GROSS FINANCIAL DEBT	**452.0**	**268.3**	**720.3**	**423.8**	**98.1**	**521.9**

	2020			2019		
At 31 March *(in € millions)*	Long term	Short term	Total	Long term	Short term	Total
Drawdown on syndicated loan	30.0	-	30.0	-	-	-
Upfront fees on syndicated loan	(0.3)	-	(0.3)	(0.4)	-	(0.4)
Lease liabilities – IFRS 16 (note **5**)	16.7	7.1	23.8	22.6	7.7	30.3
Other	-	185.9	185.9	-	0.6	0.6
TOTAL VARIABLE-RATE DEBT	**29.7**	**185.9**	**215.5**	**(0.4)**	**0.6**	**0.2**

NOTE 12.5 GROSS FINANCIAL DEBT BY CURRENCY

	2020			2019		
At 31 March *(in € millions)*	Long term	Short term	Total	Long term	Short term	Total
Euro	438.5	262.6	701.1	406.1	92.3	498.4
US dollar	8.5	3.2	11.7	9.4	2.9	12.3
Chinese yuan	1.9	1.4	3.3	4.0	1.6	5.5
Hong Kong dollar	0.2	0.1	0.3	0.3	0.2	0.6
Other	2.9	0.9	3.8	4.0	1.1	5.1
GROSS FINANCIAL DEBT	**452.0**	**268.3**	**720.3**	**423.8**	**98.1**	**521.9**

NOTE 12.6 BONDS

Private bond placement

On 27 February 2015, Rémy Cointreau issued an €80.0 million bond in the form of a private placement with a leading European insurer. The bonds have a coupon of 2.945% with a ten-year maturity. This bond stood at €79.9 million at 31 March 2020, taking into account €0.1 million of issue expenses.

This contract is unsecured. Availability of the funds is subject to the A ratio (see Syndicated loan) remaining below 3.5 at each half year end for the duration of the contract.

Convertible bonds (OCEANE)

On 7 September 2016, as part of a private placement with institutional investors, Rémy Cointreau issued bonds with an option to convert to and/or exchange for new and/or existing shares (OCEANE), with a maturity date of 7 September 2026 and a nominal amount of €275 million, or 2,484,191 OCEANE with a par value of €110.70 each.

The par value of the OCEANE bonds incorporates an issue premium of 40% based on the reference price of the Company's shares on the Euronext Paris regulated market. OCEANE bondholders are entitled to new and/or existing Rémy Cointreau shares, at the conversion rate of one share per OCEANE, subject to potential subsequent adjustments exercisable on 7 September 2023. This conversion rate was increased to 1.009 shares per OCEANE following the payment of the dividend of €1.00 per share on 16 September 2019.

The OCEANE bonds bear interest at a nominal annual rate of 0.125%, payable in arrears on 7 September each year.

The €24.9 million difference between the par value of the issue and its fair value on the issue date is recognised in equity.

Bonds with a nominal value of €65 million

On 13 August 2013, Financière Rémy Cointreau SA/NV issued a ten-year bond for the amount of €65 million, guaranteed by Rémy Cointreau SA. This bond stood at €64.4 million at 31 March 2020, taking into account €(0.6) million of issue premiums and expenses.

The bonds have a par value of €250,000 each and were issued at 97.977% of par (issue premium of 2.023%), bearing interest of 4% payable annually on 13 August. They will be redeemed at par at maturity on 13 August 2023.

This bond is not secured.

After taking the issue premium and expenses into account, the net proceeds from the bond were €63.2 million, putting the effective interest rate at 4.35%.

NOTE 12.7 SYNDICATED LOAN

On 2 July 2018, Rémy Cointreau took out a new revolving syndicated loan of €100 million with a pool of six banking groups. This new syndicated loan has a maturity of five years (with an optional 2-year extension) and replaces the syndicated loan of €255 million maturing on 11 April 2019. In May 2019, it was extended for an initial one-year period.

Amounts drawn down bear interest at EURIBOR plus a margin of 35 bps to 125 bps, depending on the Group's debt rating.

This facility is unsecured.

The availability of the facility is contingent on "Average net debt/EBITDA" (the A ratio) being less than or equal to 4.0 at 30 September and 31 March of each year until maturity. At 31 March 2020, the ratio was 1.86 (September 2019: 1.39, March 2019: 1.19).

NOTE 13 PROVISIONS FOR LIABILITIES AND CHARGES

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The recognition of provisions, generally intended to cover compensation payable in the event of disputes with third parties, requires the Group's management to estimate the level of probability associated with this risk and also the outcome of negotiations, transactions and legal proceedings that are or may be conducted with the third parties concerned.

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", a provision is recognised when the Group has an obligation towards a third party and it is certain or highly probable that it will result in an outflow of resources for the benefit of the third party, without receipt of an at least equivalent consideration from the said third party. Provisions for restructuring are recognised only when restructuring has been announced and detailed measures drawn up.

When the time value of money is material, the amount of the provision corresponds to the present value of expected expenditure that the Company believes to be necessary to meet the liability. In practice, when the liability is expected to be settled in more than 12 months, the amount of the provision is discounted to its present value, with the effects being recognised in net financial result.

NOTE 13.1 ANALYSIS OF CHANGE

At 31 March *(in € millions)*	Restructuring	Litigation	Total
At 31 March 2019	**0.1**	**10.3**	**10.4**
Increase	-	11.4	11.4
Reversals – Used	-	(0.6)	(0.6)
Reversals – Unused	-	(0.3)	(0.3)
Translation differences	-	0.2	0.2
Reclassification to accrued expenses	-	(7.4)	(7.4)
At 31 March 2020	**0.1**	**13.5**	**13.6**

"Provisions for liabilities and charges" mainly consist of provisions recognised to cover trade and employee-related disputes.

In accordance with IFRIC 23 "Uncertainty over income tax treatments", provisions for tax risks are now included in "Income tax payables". The amounts previously recognised at 31 March 2019 have been reclassified.

NOTE 13.2 MATURITY

These provisions are intended to cover probable items of expenditure payable as follows:

At 31 March *(in € millions)*	2020	2019
Long-term provisions (or unknown maturity)	2.2	8.1
Short-term provisions	11.5	2.3
TOTAL	**13.6**	**10.4**

NOTE 14 TRADE AND OTHER PAYABLES

Trade payables, which are generally settled within three months, are stated at nominal value.

At 31 March *(in € millions)*	2020	2019
Trade payables – *eaux-de-vie*	239.9	229.8
Other trade payables	88.8	101.0
Advances from customers	1.8	2.1
Payables related to tax and social charges (excl. income tax)	72.3	68.0
Excise duties	0.4	3.9
Advertising expenses payable	69.2	75.5
Miscellaneous deferred income	2.2	3.9
Other liabilities	59.7	59.6
TOTAL	**534.4**	**543.8**

NOTE 15 FINANCIAL INSTRUMENTS AND MARKET RISKS

Derivative financial instruments held by the Group in connection with its ordinary activities, mainly in the form of options, are valued using the methods prevailing in the financial markets. Note that these valuations are based on market data as at the balance sheet date. These values may fluctuate rapidly due to constant changes in the financial markets.

Financial assets and liabilities are measured in accordance with IFRS 9 “Financial Instruments: Recognition and Measurement”.

The Group makes extensive use of derivative financial instruments as part of its policy of hedging exposure to currency and interest rate risks. The Group has implemented the procedures and maintains the documentation needed to justify the application of hedge accounting as defined by IFRS 9.

Derivative instruments are stated at market value as at the balance sheet date. Market values are calculated using an external valuation model, and compared with those obtained from counterparty banks. Changes in the value of currency derivatives are recognised in the manner described in note **1.4**. When used to hedge interest rate risk, changes in the value of derivative instruments (mainly caps and interest swaps) are recorded in recyclable equity in respect of the change in the intrinsic value of the hedging instruments when these options are active and in net financial result for any residual change in fair value of the hedging instruments and the change in fair value of the non-hedging instruments.

NOTE 15.1 BREAKDOWN OF FINANCIAL INSTRUMENTS BY CATEGORY

The following tables show the financial instruments recorded in the statement of financial position, analysed by the measurement categories defined in IFRS 9.

AT 31 MARCH 2020

At 31 March *(in € millions)*	Notes	Carrying amount on the statement of financial position	Fair value	Loans and receivables at amortised cost	Fair value through profit or loss(1)	Fair value through OCI
Non-current financial assets	7	87.3	87.3	4.0	1.5	81.7
Derivative financial instruments	15	5.1	5.1	-	0.8	4.4
Cash and cash equivalents	10	269.4	269.4	-	269.4	-
ASSETS		**361.8**	**361.8**	**4.0**	**271.7**	**86.1**
Long-term financial debt	12	452.0	452.0	452.0	-	-
Short-term financial debt and accrued interest charge	12	268.3	268.3	268.3	-	-
Derivative financial instruments	15	8.7	8.7	-	2.1	6.7
LIABILITIES		**729.0**	**729.0**	**720.3**	**2.1**	**6.7**

(1) *These financial instruments belong to the “held for trading” category.*

AT 31 MARCH 2019

At 31 March *(in € millions)*	Notes	Carrying amount on the statement of financial position	Fair value	Loans and receivables at amortised cost	Fair value through profit or loss(1)	Fair value through OCI
Non-current financial assets	7	93.9	93.9	4.3	3.9	85.7
Derivative financial instruments	15	1.8	1.8	-	0.7	1.1
Cash and cash equivalents	10	178.6	178.6	-	178.6	-
ASSETS		**274.3**	**274.3**	**4.3**	**183.2**	**86.8**
Long-term financial debt	12	423.8	423.8	423.8	-	-
Short-term financial debt and accrued interest charge	12	98.1	98.1	98.1	-	-
Derivative financial instruments	15	10.1	10.1	-	1.7	8.3
LIABILITIES		**532.0**	**532.0**	**521.9**	**1.7**	**8.3**

(1) *These financial instruments belong to the “held for trading” category.*

NOTE 15.2 MARKET RISK MANAGEMENT POLICY

The Group uses financial instruments to manage its interest rate and currency risk exposure. The policy for managing market risks complies with the prudential rules approved by the Board of Directors. More specifically, the sale of options is limited to tunnel strategies and the resale of previously purchased instruments that are subject to approval on an individual basis.

All hedging transactions are entered into with top-tier international banks.

With regard to currency risk, the Group endeavours to hedge its budgeted net commercial exposure over a rolling period of approximately 15 to 18 months. This is achieved by entering into firm or optional currency hedging agreements in accordance with the guidelines set by the Board of Directors.

The Group does not hedge the currency risk arising from the translation into euros of the financial statements of companies that use a currency other than the euro.

The Group's hedging policy only allows for the hedging of short-term currency risk. It is not intended to protect the Group against the economic effects of long-term money market trends on the Group's net sales and margins.

NOTE 15.3 BREAKDOWN OF FINANCIAL INSTRUMENTS (INTEREST AND FOREIGN EXCHANGE RATES)

At 31 March *(in € millions)*	2020	2019
Assets		
Interest rate derivatives		-
Exchange rate derivatives	5.1	1.8
TOTAL	**5.1**	**1.8**
Liabilities		
Interest rate derivatives		-
Exchange rate derivatives	8.7	10.1
TOTAL	**8.7**	**10.1**

NOTE 15.4 INTEREST RATE DERIVATIVES

At 31 March 2020, the Group had no interest rate derivatives in its portfolio.

NOTE 15.5 EXCHANGE RATE DERIVATIVES

The Group uses options and forward contracts to hedge its cash flows from commercial transactions. Commercial transactions for the year for which payment has not been received as of the balance sheet date are hedged by short-term currency swaps.

Furthermore, Rémy Cointreau SA, which centralises the Group's financing needs, and its subsidiary Financière Rémy Cointreau make intra-Group loans and borrowings denominated in the counterparty's currency. The Group uses back-to-back currency swaps to match these loans and borrowings. The maturity of such transactions ranges from one month to one year.

BREAKDOWN OF ALL CURRENCY HEDGING INSTRUMENTS IN THE PORTFOLIO AT 31 MARCH 2020

At 31 March *(in € millions)*	Nominal amount[1]	Initial value	Market value	Of which: CFH[2]	Of which: Trading[2]
Put options and tunnel options					
Seller USD (*vs.* EUR)	159.8	3.1	1.1	1.1	-
Other currencies (*vs.* EUR)	36.6	0.7	0.7	0.7	-
	196.3	**3.9**	**1.8**	**1.8**	**-**
Forward sales					
Seller USD (*vs.* EUR)	168.9	-	(5.6)	(5.6)	-
Other currencies (*vs.* EUR)	60.3	-	1.4	1.4	-
	229.2	**-**	**(4.1)**	**(4.1)**	**-**
Purchase/(sale) of currency swaps (operating activities)[3]					
Seller USD (*vs.* EUR)	(65.0)	-	(0.1)	-	(0.1)
Other currencies (*vs.* EUR)	(22.7)	-	0.1	-	0.1
	(87.7)	**-**	**0.1**	**-**	**0.1**
Purchase/(sale) of currency swaps (financing activities)[3]					
Seller USD (*vs.* EUR)	(87.2)	-	(0.1)	-	(0.1)
Other currencies (*vs.* EUR)	(71.0)	-	(1.3)	-	(1.3)
	(158.2)	**-**	**(1.4)**	**-**	**(1.4)**
TOTAL	**179.7**	**3.9**	**(3.6)**	**(2.3)**	**(1.3)**

(1) Nominal amount in foreign currency translated at the closing rate.
(2) Fair Value Hedge; Cash Flow Hedge; Trading.
(3) Difference between closing rate and forward rate.

BREAKDOWN OF ALL CURRENCY HEDGING INSTRUMENTS IN THE PORTFOLIO AT 31 MARCH 2019

At 31 March *(in € millions)*	Nominal amount[(1)]	Initial value	Market value	Of which: CFH[(2)]	Of which: Trading[(2)]
Put options and tunnel options					
Seller USD (*vs*. EUR)	169.2	3.4	0.2	0.2	-
Other currencies (*vs*. EUR)	36.2	1.0	0.3	0.3	-
	205.4	**4.4**	**0.4**	**0.4**	**-**
Forward sales					
Seller USD (*vs*. EUR)	164.8	-	(5.8)	(5.8)	-
Other currencies (*vs*. EUR)	73.8	-	(1.8)	(1.8)	-
	238.6	**-**	**(7.6)**	**(7.6)**	**-**
Purchase/(sale) of currency swaps (operating activities)[(3)]					
Seller USD (*vs*. EUR)	(64.3)	-	(0.1)	-	(0.1)
Other currencies (*vs*. EUR)	(24.6)	-	(0.1)	-	(0.1)
	(89.0)	**-**	**(0.2)**	**-**	**(0.2)**
Purchase/(sale) of currency swaps (financing activities)[(3)]					
Seller USD (*vs*. EUR)	(75.3)	-	(1.3)	-	(1.3)
Other currencies (*vs*. EUR)	(62.2)	-	0.3	-	0.3
	(137.5)	**-**	**(1.0)**	**-**	**(1.0)**
TOTAL	**217.5**	**4.4**	**(8.3)**	**(7.2)**	**(1.1)**

(1) *Nominal amount in foreign currency translated at the closing rate.*
(2) *Fair Value Hedge; Cash Flow Hedge; Trading.*
(3) *Difference between closing rate and forward rate.*

Sensitivity to foreign exchange risk

Taking into account the hedges in place, a 10% increase or decrease in the EUR/USD exchange rate would have the following impact, with the impact on net profit/(loss) arising mainly from the ineffective portion hedging future flows:

	2020		2019	
	EUR/USD sensitivity		EUR/USD sensitivity	
Benchmark value		1,0954		1,1229
	+10%	-10%	+10%	-10%
EUR/USD rate	1.20	0.99	1.24	1.01
Net profit/(loss) for the period	(0.5)	0.8	(1.9)	2.0
Equity excluding net profit/(loss)	14.1	(12.8)	(13.6)	12.7
Change in value of financial instruments	27.4	(26.5)	(15.1)	11.9
Nominal amount at balance sheet date:				
• USD instruments in the portfolio	239.7	293.0	245.1	299.6
• USD receivables potentially exposed	67.2	82.1	85.5	104.6

NOTE 15.6 LIQUIDITY RISK

In accordance with IFRS 7, liabilities are stated at their carrying amount at the balance sheet date excluding discounting effects. The amounts drawn down on credit lines in the year ended 31 March 2020 are assumed to be carried forward until the maturity of each of the corresponding facilities. The corresponding interest expense is calculated using the parameters known at the balance sheet date. For derivative financial instruments, amounts stated in this analysis are the net cash outflow, excluding discounting effects, which should be paid out by the Company based on market conditions prevailing at the balance sheet date.

Liquidity risk stems mainly from the availability of financial resources.

The majority of the Group's activities are characterised by high levels of capital employed, particularly inventories undergoing ageing. Rémy Cointreau continuously monitors the balance of its financial structure, prioritises long-term resources and combines fixed-rate and variable-rate resources. Refinancing is systematically prepared for those resources reaching maturity. The Group obtains its financing from leading financial institutions.

The following table shows the contractual maturity profile of disbursements relating to financial liabilities recognised as of 31 March 2020.

At 31 March *(in € millions)*	Before 31 March 2021	Before 31 March 2022	Before 31 March 2023	Before 31 March 2024	Beyond	Total
Financial debt and accrued interest	261.3	-	-	65.0	385.0	711.3
Trade and other payables	534.4	-	-	-	-	534.4
Liabilities recognised at 31 March 2020	**795.7**	**-**	**-**	**65.0**	**385.0**	**1,245.7**
Future interest on financial debt	6.3	5.6	5.3	3.7	3.0	23.8
TOTAL DISBURSEMENTS	**802.0**	**5.6**	**5.3**	**68.7**	**388.0**	**1,269.5**

The confirmed resources and their availability are as follows (see also note **12** for the description of financial debt):

At 31 March *(in € millions)*	2020	2019
Fixed-rate resources	440.0	460.0
Variable-rate resources	100.0	100.0
TOTAL	**540.0**	**560.0**
Long-term	520.0	520.0
Short-term	20.0	40.0
TOTAL	**540.0**	**560.0**
Availability subject to compliance with the A ratio	180.0	180.0
Available with no ratio restrictions	360.0	380.0
TOTAL	**540.0**	**560.0**
Unused at 31 March	70.0	100.0
Unused at 31 March as % of available resources	13%	18%

The availability of some financing is contingent upon achieving the "A ratio"(average net debt/EBITDA). This is calculated every six months and must be below 3.50 for the private bond placement (note **12.6**) and below 4.0 for the new syndicated loan (note **12.7**). The A ratio was 1.86 at 31 March 2020. The Group is confident in its ability to maintain this ratio in the short, medium and long-term, and in its ability to renew financing that is due to reach maturity in the coming years.

In addition, the Rémy Cointreau Group had €215 million in unconfirmed bilateral lines at 31 March 2020.

The Group's rating is reviewed annually. At 31 March 2020, Moody's assigned the rating of Baa3, stable outlook.

In the midst of the COVID-19 health crisis and its major economic impact, the Group remains confident that its financing will remain available and its debt controlled. Financial debt, which is a key indicator for the Group's management, is the subject of continuously updated forecasts. The Rémy Cointreau Group's balance sheet structure is solid.

NOTE 16 SEGMENT REPORTING

BREAKDOWN BY SEGMENT

As required by IFRS 8, the Rémy Cointreau Group provides an analysis by business segment and geographic area of certain items of its consolidated financial statements.

a) Business segment

The segments to be presented are those operating segments for which separate financial information is available internally and which are used by the "main operational decision-maker" to make operational decisions. Rémy Cointreau's main operational decision-maker is the Executive Committee. This committee reviews operational performances and allocates resources based on the financial data analysed for the Rémy Martin, Liqueurs & Spirits and Partner Brands businesses. Consequently, the Group has identified these businesses as the operating segments to be presented. In addition, a holding segment includes the central expenses that are not allocated to the various divisions.

The main brands in the "Liqueurs & Spirits" segment are Cointreau, Metaxa, St-Rémy, Mount Gay, Bruichladdich, The Botanist, Westland and Domaine des Hautes Glaces.

The "Partner Brands" business includes brands which are not controlled by the Group and those whose production is not carried out wholly by the Group. These brands are distributed using the Group's distribution network in the framework of fixed-term agreements.

Information given by business segment is identical to that presented to the Executive Committee.

b) Geographic area

Net sales by geographic area are analysed based on the destination of the goods sold. Items in the statement of financial position are analysed based on the geographic area of the entities reporting them.

The geographic areas covered are: Europe-Middle/East-Africa, Americas, Asia-Pacific. The Asia-Pacific area includes Asia, Australia and New Zealand.

NOTE 16.1 BUSINESSES

Note 16.1.1 Breakdown of net sales and current operating profit/(loss)

	Net sales		Current operating profit/(loss)	
At 31 March *(in € millions)*	2020	2019	2020	2019
Rémy Martin	735.5	774.4	199.5	235.6
Liqueurs & Spirits	261.9	264.4	37.5	38.8
Group brands subtotal	**997.3**	**1,038.8**	**237.0**	**274.4**
Partner Brands	27.5	87.2	(1.7)	4.9
Holding	-	-	(20.1)	(15.2)
TOTAL	**1,024.8**	**1,125.9**	**215.1**	**264.1**

There are no intra-segment sales.

Note 16.1.2 Breakdown of the statement of financial position

AT 31 MARCH 2020

At 31 March *(in € millions)*	Rémy Martin	Liqueurs & Spirits	Partner Brands	Unallocated	Total
Non-current assets	449.5	378.9	0.7	111.4	940.6
Current assets	1,367.1	161.2	14.6	30.8	1,573.7
Derivative financial instruments	-	-	-	5.1	5.1
Cash and cash equivalents	-	-	-	269.4	269.4
TOTAL ASSETS	**1,816.6**	**540.1**	**15.3**	**416.7**	**2,788.7**
Shareholders' equity	-	-	-	1,403.4	1,403.4
Financial debt and accrued interest	-	-	-	720.3	720.3
Provisions for liabilities and charges	33.6	9.0	1.1	0.1	43.9
Deferred and current tax liability	-	-	-	78.1	78.1
Trade and other payables	457.6	56.9	5.6	14.2	534.4
Derivative financial instruments	-	-	-	8.7	8.7
TOTAL EQUITY AND LIABILITIES	**491.3**	**65.9**	**6.8**	**2,224.8**	**2,788.7**
Right of use, brands and other intangible assets not included in the basis of calculation of "return on capital employed" (ROCE)	249.9	250.3	0.6	-	500.9
ROCE basis of calculation	**1,075.4**	**223.9**	**8.0**		**1,307.2**

AT 31 MARCH 2019

At 31 March	Rémy Martin	Liqueurs & Spirits	Partner Brands	Unallocated	Total
Non-current assets	430.7	378.6	2.7	112.5	924.4
Current assets	1,289.9	173.3	39.8	16.9	1,519.9
Derivative financial instruments	-	-	-	1.8	1.8
Cash and cash equivalents	-	-	-	178.6	178.6
TOTAL ASSETS	**1,720.5**	**551.9**	**42.4**	**309.7**	**2,624.6**
Shareholders' equity	-	-	-	1,426.1	1,426.1
Financial debt and accrued interest	-	-	-	521.9	521.9
Provisions for liabilities and charges	24.5	8.0	1.8	7.5	41.9
Deferred and current tax liability	-	-	-	80.8	80.8
Trade and other payables	442.0	61.6	21.4	18.8	543.8
Derivative financial instruments	-	-	-	10.1	10.1
TOTAL EQUITY AND LIABILITIES	**466.5**	**69.7**	**23.2**	**2,065.2**	**2,624.6**
Right of use, brands and other intangible assets not included in the basis of calculation of "return on capital employed" (ROCE)	254.1	270.2	2.4	-	526.7
ROCE basis of calculation	**999.9**	**212.1**	**16.8**		**1,228.8**

Note 16.1.3 Return on Capital Employed (ROCE)

Return on capital employed is measured using the following indicators:

- current operating profit by activity (note **16.1.1**);
- breakdown of the statement of financial position by activity, excluding certain intangibles (note **16.1.2**).

Current operating profit/(loss) and capital employed are identified by business on an analytical basis. Profit and capital employed of the distribution network and holding businesses are allocated on a *pro-rata* basis according to net sales and current inventory.

Return on capital employed is a key indicator for the Group's management. It is one of the key performance indicators for each business.

AT 31 MARCH 2020

At 31 March *(in € millions)*	Capital employed	Current operating profit/(loss)	%
Rémy Martin	1,075.4	199.5	18.6%
Liqueurs & Spirits	223.9	37.5	16.7%
Group brands subtotal	**1,299.3**	**237.0**	**18.2%**
Partner Brands	8.0	(1.7)	-21.9%
Holding		(20.1)	-
TOTAL	**1,307.2**	**215.1**	**16.5%**

AT 31 MARCH 2019

At 31 March *(in € millions)*	Capital employed	Current operating profit/(loss)	%
Rémy Martin	999.9	235.6	23.6%
Liqueurs & Spirits	212.1	38.8	18.3%
Group brands subtotal	**1,212.0**	**274.4**	**22.6%**
Partner Brands	16.8	4.9	29.3%
Holding	-	(15.2)	-
TOTAL	**1,228.8**	**264.1**	**21.5%**

Note 16.1.4 Capital expenditure and depreciation expense

	Investments in property, plant and equipment and intangible assets		Depreciation and amortisation of property, plant and equipment and intangible assets	
(in € millions)	2020	2019	2020	2019
Rémy Martin	40.2	32.8	16.5	15.1
Liqueurs & Spirits	30.1	16.6	9.8	8.3
Partner Brands	0.1	0.1	0.1	0.1
TOTAL	**70.4**	**49.5**	**26.3**	**23.5**

NOTE 16.2 GEOGRAPHIC AREAS

Net sales

At 31 March *(in € millions)*	2020	2019
Europe-Middle/East-Africa[1]	246.1	311.9
Americas	458.6	467.8
Asia-Pacific	320.1	346.3
TOTAL	**1,024.8**	**1,125.9**

(1) *Net sales for France amounted to €11.1 M at 31 March 2020 (March 2019: €11.2 M).*

Balance sheet

AT 31 MARCH 2020

At 31 March *(in € millions)*	Europe Middle-East Africa	Americas	Asia Pacific	Unallocated	Total
Non-current assets	811.0	95.0	34.6	-	940.6
Current assets	1,349.5	94.7	129.4	-	1,573.7
Derivative financial instruments	-	-	-	5.1	5.1
Cash and cash equivalents	-	-	-	269.4	269.4
TOTAL ASSETS	**2,160.6**	**189.7**	**164.0**	**274.5**	**2,788.7**
Shareholders' equity	-	-	-	1,403.4	1,403.4
Financial debt and accrued interest	-	-	-	720.3	720.3
Provisions for liabilities and charges	34.8	-	9.1	-	43.9
Deferred and current tax liability	60.8	1.4	15.8	-	78.1
Trade and other payables	363.1	53.1	118.2	-	534.4
Derivative financial instruments	-	-	-	8.7	8.7
TOTAL EQUITY AND LIABILITIES	**458.8**	**54.5**	**143.0**	**2,132.4**	**2,788.7**

AT 31 MARCH 2019

At 31 March *(in € millions)*	Europe Middle-East Africa	Americas	Asia Pacific	Unallocated	Total
Non-current assets	783.2	101.7	39.5	-	924.4
Current assets	1,269.5	109.1	141.3	-	1,519.9
Derivative financial instruments	-	-	-	1.8	1.8
Assets held for sale	-	-	-	-	-
Cash and cash equivalents	-	-	-	178.6	178.6
TOTAL ASSETS	**2,052.6**	**210.8**	**180.8**	**180.4**	**2,624.6**
Shareholders' equity	-	-	-	1,426.1	1,426.1
Financial debt and accrued interest	-	-	-	521.9	521.9
Provisions for liabilities and charges	41.0	-	0.9	-	41.9
Deferred and current tax liability	69.3	0.3	11.2	-	80.8
Trade and other payables	382.3	46.8	114.6	-	543.8
Derivative financial instruments	-	-	-	10.1	10.1
Liabilities held for sale	-	-	-	-	-
TOTAL EQUITY AND LIABILITIES	**492.7**	**47.1**	**126.7**	**1,958.1**	**2,624.6**

Capital expenditure and depreciation and amortisation expense

	Capital expenditure and acquisition of property, plant and equipment and intangible assets		Depreciation and amortisation of property, plant and equipment and intangible assets	
At 31 March *(in € millions)*	2020	2019	2020	2019
Europe/Middle-East/Africa	57.5	40.3	18.9	17.7
Americas	10.3	5.5	4.8	3.5
Asia-Pacific	2.5	3.7	2.6	2.3
TOTAL	**70.4**	**49.5**	**26.3**	**23.5**

NOTE 17 ANALYSIS OF OPERATING EXPENSES BY TYPE

Distribution costs comprise advertising and promotion expenses, commission income or expenses, ordinary write downs of inventories and trade receivables and the overheads of the Group distribution companies.

Administrative expenses comprise all overheads of the holding companies and production companies.

Other income and expenses correspond to the profit generated by peripheral activities.

At 31 March (in € millions)	2020	2019
Personnel costs	(193.0)	(197.9)
Advertising and promotion expenses	(184.2)	(182.2)
Depreciation, amortisation and impairment of non-current assets	(33.4)	(30.3)
Other expenses	(116.6)	(102.1)
Expenses allocated to inventories and production costs	65.4	65.9
TOTAL	**(461.7)**	**(446.7)**
Of which:		
Distribution costs	(355.0)	(346.0)
Administrative expenses	(106.8)	(100.7)
TOTAL	**(461.7)**	**(446.7)**

Payroll expenses included in particular salaries and social charges, pension plan costs, bonus share plan expenses and benefits in kind.

NOTE 18 NUMBER OF EMPLOYEES

The number of employees is stated at the reporting date and covers all fully consolidated companies.

	2020	2019
France	725	719
Europe (outside France) – Africa	323	375
Americas	366	380
Asia-Pacific	439	434
TOTAL	**1,853**	**1,908**

NOTE 19 OTHER OPERATING INCOME AND EXPENSES

"Other operating income and expenses" include items that, given their nature, frequency and materiality, cannot be considered as part of the Group's ordinary activities and which affect inter-period comparisons. They notably include impairment provisions in respect of brands and other non-current assets recognised as a result of impairment tests, provisions for restructuring and litigation, and significant gains and losses on the sale of assets other than those relating to operations that have already been, or are to be, discontinued (Note **1.6**).

At 31 March *(in € millions)*	2020	2019
Impairment of Westland goodwill (note **3**)	(18.8)	-
Disposal of non-strategic assets	-	2.1
Other	(0.9)	(0.5)
TOTAL	**(19.7)**	**1.7**

NOTE 20 FINANCIAL RESULT

NOTE 20.1 NET BORROWING COST BY TYPE

At 31 March *(in € millions)*	2020	2019
Bonds	(2.8)	(2.8)
OCEANE	(4.2)	(4.2)
Private bond placement	(2.4)	(2.4)
Syndicated loan and unconfirmed lines	(0.4)	(1.0)
Partner current account	(0.2)	(0.3)
Finance costs of special purpose entities	(2.0)	(2.0)
Accretion of lease liabilities – IFRS 16	(0.9)	(1.0)
Cost of gross financial debt	**(12.9)**	**(13.7)**
Interest income	0.2	0.0
Cost of net financial debt	**(12.7)**	**(13.7)**

Income from IFRS 16 sub-leases totalled €0.1 million and is presented in the item “Net effect of accretion of lease liabilities under IFRS 16”.

Financial debt is described in note **12**.

NOTE 20.2 OTHER FINANCIAL INCOME/(EXPENSE)

The amount presented in currency gains and losses mainly includes the impact of IFRS 9 on the portfolio of foreign currency derivative financial instruments, for the so-called “ineffective” portion, and the currency gains and losses from financing transactions. Currency gains/(losses) from operations are recognised in gross profit (Note **1.4**).

At 31 March *(in € millions)*	2020	2019
Currency losses	(4.7)	(4.0)
Other financial expenses of special purpose entities	(9.4)	(8.5)
Expense on vendor loan	-	(5.2)
Other	(1.2)	(1.1)
Other financial income/(expense)	**(15.3)**	**(18.8)**

Currency gains/(losses) from operations are recognised in gross profit.

At 31 March *(in € millions)*	2020	2019
Ineffective portion of currency hedges	(0.3)	0.2
Cost of hedging intra-group financing in foreign currencies	(4.3)	(4.2)
Currency gains/(losses)	**(4.7)**	**(4.0)**

NOTE 21 INCOME TAX

In accordance with IAS 12, deferred tax is recognised on all temporary differences between the carrying amounts of the assets and liabilities in the consolidated financial statements and the corresponding values used for taxation purposes in the accounts of the consolidated entities.

Deferred tax is calculated at the statutory tax rates that are expected to be in effect when timing differences reverse, which is generally the tax rate for the current reporting period or that of the subsequent reporting period, if known. The effects of changes in tax rates are included in the income tax expense for the period in which they become known.

The main source of deferred tax for the Rémy Cointreau Group arises from the difference in the value of the brands in the consolidated financial statements, most often resulting from goodwill on acquisition, and their value for taxation purposes, which is generally nil.

As required by IAS 12, a deferred tax liability is recognised on the difference between the carrying amount and the tax value of shares in associates. In the case of fully consolidated entities, the deferred tax liability is recognised only in respect of dividends that are certain at the reporting date.

Tax savings from tax losses carried forward are recognised as deferred tax assets and written down according to the probability of these losses later being utilised.

Tax savings from tax losses carried forward are recognised as deferred tax assets if it is probable that the Group will have future taxable profits against which the deferred tax losses can be offset.

NOTE 21.1 NET INCOME TAX EXPENSE

At 31 March *(in € millions)*	2020	2019
Current tax (expense)/income	(71.0)	(71.6)
Deferred tax (expense)/income	10.2	3.9
Income tax	**(60.9)**	**(67.7)**
Effective published tax rate	-36.3%	-29.0%
Effective tax rate excl. non-recurring items	-33.9%	-28.5%

The change in the legal tax rate in France and Greece resulted in a remeasurement of deferred taxes leading to the recognition of a net deferred tax expense of €(2.0) million for the financial year.

These impacts are adjusted in the calculation of the effective tax rate excluding non-recurring items and of the net profit/loss excluding non-recurring items (note **23**).

NOTE 21.2 TAX REGIME

Rémy Cointreau has opted to use the Group tax regime for certain of its subsidiaries that are at least 95% directly or indirectly controlled. This regime entitles the Group to offset, within certain limits, the income tax expenses of the beneficiary companies by means of the other companies' deficits. The resulting tax saving is recognised in the financial year of offset.

NOTE 21.3 ANALYSIS OF ORIGIN AND BREAKDOWN OF DEFERRED TAXES

At 31 March *(in € millions)*	2020	2019
Breakdown by type		
Pension provisions	8.3	9.6
Regulated provisions	(28.6)	(29.0)
Other provisions	5.4	4.0
Brands	(74.1)	(75.2)
Non-current assets	(4.3)	(3.8)
Convertible bonds (OCEANE)	(2.4)	(3.3)
Margins on inter-company inventories	21.5	22.1
Losses carried forward	0.6	0.2
Financial instruments	2.0	4.0
Other timing differences	35.4	26.5
Net liability	**(36.2)**	**(44.9)**
Breakdown by tax group		
Tax group – France	(48.9)	(52.0)
Tax group – United States	7.6	1.1
Other	5.1	6.0
Net liability	**(36.2)**	**(44.9)**
Deferred tax asset	23.2	17.5
Deferred tax liability	(59.4)	(62.4)
Net liability	**(36.2)**	**(44.9)**

NOTE 21.4 TAX LOSSES AND CAPITAL LOSSES CARRIED FORWARD

As at 31 March 2020, tax losses carried forward totalled €26.9 million (2019: €15.6 million). The potential tax saving arising from the use of these losses is €4.2 million (2019: €2.4 million). On these losses, the Group recognised a net asset of €0.6 million, which it plans to recover by March 2023.

NOTE 21.5 TAX RECONCILIATION

At 31 March 2020, income tax expense amounted to €61.2 million. The difference compared to the theoretical tax expense based on the French statutory rate (34.43%) breaks down as follows:

At 31 March *(in € millions)*	2020	2019
Theoretical income tax	(57.7)	(80.3)
Actual tax charge	(60.9)	(67.7)
Difference	**(3.2)**	**12.7**
Permanent differences between consolidated profit and taxable profit	(3.8)	(3.2)
Use of tax losses or timing differences not previously recognised	0.2	1.2
Unused losses from subsidiaries that are loss-making from a tax point of view	(1.0)	(0.9)
Difference in tax rates applicable to foreign subsidiaries	7.0	15.9
Adjustment to the tax charge for prior years	(3.6)	(0.3)
Impact of tax rate changes on the deferred taxes in France and Greece	(2.0)	-
TOTAL	**(3.2)**	**12.7**

NOTE 22 PROFIT/(LOSS) AFTER TAX FROM DECONSOLIDATED OR DISCONTINUED OPERATIONS

When a company or activity is classified as being discontinued as at the balance sheet date in accordance with IFRS 5, the assets and liabilities directly related to the operation and which will be transferred on completion of the disposal are reclassified as “Assets held for sale” or “Liabilities held for sale” for the current reporting period only.

When a company or activity that represents a major and distinct line of business or geographic area has been deconsolidated or sold during the reporting period or classified as assets held for sale:

- each line of the contribution to the result of said company or business for the current period and for comparison periods is reclassified as “Net profit/(loss) from deconsolidated and discontinued operations”; A similar reclassification is made in the statement of cash flows by using: “Impact of deconsolidated and discontinued operations” for operating and investment cash flows;
- when the disposal is still in progress at the reporting date, any difference between the carrying amount of the assets in question and the estimated market value, net of disposal expenses and tax, if negative, is recognised as “Net profit/(loss) from deconsolidated and discontinued operations”;
- the profit generated by the disposal, net of transaction costs and tax, is also recognised under “Net profit/(loss) from deconsolidated and discontinued operations”. In the statement of cash flows, a distinction is made between the cash received as consideration for the sale net of transaction costs, classified as cash flow from investments, and any impact of the deconsolidation of the cash held by the entity sold, classified as cash flow from financing activities.

Direct costs associated with the disposal in progress and which are irrevocably incurred at the balance sheet date are recognised under “Net profit/(loss) from deconsolidated and discontinued operations”. A similar reclassification is made in the statement of cash flows by using: “Impact of deconsolidated and discontinued operations” for investment cash flows.

At 31 March *(in € millions)*	2020	2019
Proceeds from the sale of shares	6.9	-
Selling costs	(0.2)	-
Tax	(0.4)	-
TOTAL	**6.4**	**-**

On 1 April 2019, the Rémy Cointreau Group announced that it had sold all its distribution subsidiaries in the Czech Republic (Rémy Cointreau Czech Republic sro) and Slovakia (Rémy Cointreau Slovakia sro) to Mast-Jägermeister SE. The proceeds of this sale, net of costs and tax, was recognised under “Net profit/(loss) from discontinued operations” in the amount of €6.4 million.

NOTE 23 NET PROFIT/(LOSS) EXCLUDING NON-RECURRING ITEMS

Net profit/(loss) excluding non-recurring items corresponds to the net profit/(loss) for the period adjusted to reflect the other operating income and expenses described in note **19**, the related tax effects, the profit/(loss) from discontinued operations and the contribution on the distribution of cash dividends.

NOTE 23.1 RECONCILIATION WITH NET PROFIT/LOSS

Net profit/(loss) excluding non-recurring items attributable to owners of the parent is reconciled with net profit/(loss) attributable to owners of the parent as follows:

At 31 March *(in € millions)*	2020	2019
Net profit/(loss) – attributable to owners of the parent	**113.4**	**159.2**
Profit/(loss) recorded under “Other operating income and expenses” (note **19**)	19.7	(1.7)
Tax on “Other operating income and expenses”	(4.7)	2.0
Impact of tax rate changes on the deferred taxes in France and Greece (note **21**)	2.2	-
Expense on vendor loan	-	5.2
Income tax associated with expense on vendor loan	-	(1.8)
Loss on Diversa securities and related costs	-	7.0
“Net profit/(loss) from deconsolidated and discontinued operations”	(6.4)	-
Net profit/(loss) excluding non-recurring items – attributable to owners of the parent	**124.2**	**169.9**

NOTE 23.2 NET EARNINGS EXCLUDING NON-RECURRING ITEMS PER SHARE – ATTRIBUTABLE TO OWNERS OF THE PARENT

At 31 March *(in € millions)*	Notes	2020	2019
Net earnings excluding non-recurring items			
• attributable to owners of the parent		124.2	169.9
Number of shares			
• basic	11.2	49,806,712	50,068,992
• diluted	11.2	52,400,986	52,680,567
Per share *(in €)*			
• basic		2.49	3.39
• diluted		2.37	3.22

NOTE 24 CHANGE IN WORKING CAPITAL REQUIREMENT

At 31 March *(in € millions)*	2019	Change in WCR on Operational items	Change in WCR on Investment flows	Change in WCR on Financial flows	Derecognition	Non-cash changes	Translation differences	2020
Inventories (note **8**)	1,245.5	128.7	-	-	(8.0)	0.9	(3.1)	1,363.9
Trade and other receivables (note **9**)	271.1	(53.6)	-	-	(17.1)	0.2	(1.2)	199.4
Trade and other payables (note **14**)	(543.8)	1.0	(5.5)	(9.4)	21.5	0.7	1.2	(534.4)
Subtotal	**972.8**	**76.1**	**(5.5)**	**(9.4)**	**(3.6)**	**1.7**	**(3.1)**	**1,028.9**
Reintegration of non-cash elements of EBITDA		(3.9)						
Change in working capital requirement		**72.3**						

NOTE 25 PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

The valuation of pension commitments and other post-employment benefits is determined using actuarial methods that involve assumptions in respect of the discount rate, expected rate of return of plan assets, salary increases, life expectancy, etc. Given the long-term nature of these obligations, any changes to these assumptions may have a material impact on the valuation.

In accordance with the laws and practices in each country, Rémy Cointreau offers employee benefit plans providing pensions and other post-employment benefits through defined-contribution or defined-benefit plans. The assets of pre-financed pension plans are managed as separate funds by independent asset managers or insurance companies.

Commitments are determined and recognised in accordance with the requirements of IAS 19R.

Accordingly:

- charges relating to defined-contribution plans are recognised as expenses when paid;
- commitments in respect of defined-benefit plans are determined by actuaries using the projected unit credit method. These calculations are based on assumptions regarding life expectancy, staff turnover and future salary increases. They also take into account the economic situation in each country. For Group companies located in the euro zone, the discount rate used is based on the iBoxx index for bonds with a maturity close to that of the corresponding liabilities.

Actuarial gains and losses calculated for the valuation of post-employment defined benefit plans (experience adjustments and the effects of changes in actuarial assumptions) are recognised directly in equity.

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NOTE 25.1 DEFINED-BENEFIT PENSION PLANS

At 31 March 2020, defined-benefit plans, which are subject to an actuarial valuation, predominantly pertain to:

- retirement indemnities and long-service awards under collective bargaining agreements in France affecting a workforce of 684 people;
- defined-benefit supplementary pension plans sponsored by the Group in France, Germany, Belgium and Switzerland affecting 221 people of whom 86 current employees and 135 retired employees or deferred plans;
- a post-employment healthcare scheme in France affecting a closed population of 24 retirees.

The breakdown by plan type of the liabilities recorded in the consolidated financial statements is as follows:

At 31 March *(in € millions)*	2020	2019
Retirement indemnities	10.9	10.1
Supplementary pension plans	17.8	20.2
Long-service awards	0.7	0.7
Post-employment healthcare benefits	0.4	0.4
TOTAL	**29.9**	**31.5**

The liability related to these plans is in France for €24.2 million of which €10.9 million for retirement indemnities, €12.2 million for supplementary pension plans and €1.1 million for the other benefits.

At 31 March *(in € millions)*	2020	2019
Present value of obligation at start of year	**40.1**	**37.0**
Service cost	3.4	2.7
Interest cost	0.4	0.5
Impact of changes to schemes	(2.8)	3.4
Benefits paid	(2.5)	(4.2)
Actuarial gains (losses)	0.6	0.7
Present value of obligation at end of year	**39.2**	**40.1**
not funded	19.8	19.6
partly funded	19.4	20.5
Carrying amount of plan assets at start of year	**8.6**	**4.4**
Expected return	0.1	0.1
Contributions received	1.7	2.2
Impact of changes to schemes	-	3.8
Benefits paid	(1.5)	(2.2)
Actuarial gain (losses)	0.4	0.3
Carrying amount of plan assets at end of year	**9.3**	**8.6**
Pension commitments	**29.9**	**31.5**
LIABILITIES	**30.3**	**31.5**
ASSETS	**0.4**	**-**

The assets underlying the liabilities are held by insurance companies who invest these assets together with their general assets. They are located in France for €1.6 million.

NOTE 25.2 COST FOR THE PERIOD

At 31 March *(in € millions)*	2020	2019
Service cost	(3.4)	(2.7)
Interest cost	(0.4)	(0.5)
Expected return	0.1	0.1
Impact of changes to scheme	2.8	0.4
Total income (expense)	**(0.9)**	**(2.7)**
Benefits paid	1.0	2.0
Employer’s contribution	1.7	2.2
Total net income (expense)	**1.8**	**1.5**
Assumptions		
Average discount rate	1.07%	0.94%
Average salary increase	1.83%	1.80%
Expected working life	10 years	19 years
Return on assets	0.73%	0.75%
Increase in medical costs	3.30%	5.00%
Estimated payments for the next five years:	10.2	10.6
Sensitivity to an increase of 0.50% in the discount rate on the gross actuarial debt	(1.2)	(1.4)
Sensitivity to an increase of 0.50% in the discount rate on the service cost	(0.2)	(0.3)

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NOTE 26 OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

NOTE 26.1 OPERATING ACTIVITY COMMITMENTS

At 31 March *(in € millions)*	March 2020	March 2019
Purchase commitments – non-current assets	19.7	33.8
Purchase commitments – *eaux-de-vie*	451.7	55.4
Purchase commitments – other spirits	14.0	13.4
Other purchase commitments	28.2	21.2

Purchase commitments – non-current assets mainly concern the acquisition of ageing casks at the Cognac site, and real estate projects for Rémy Martin, Bruichladdich and Westland.

Eaux-de-vie purchasing commitments mainly relate to multi-year contracts in place with distillers. These commitments are valued based on the prices known at the balance sheet date. The sharp increase in these commitments at end-March 2020 is due to the renewal of these contracts.

Other purchase commitments comprise purchase commitments for packaging items, advertising and promotion spending commitments and other miscellaneous purchase commitments.

Breakdown of commitments by maturity as of 31 March 2020:

At 31 March *(in € millions)*	Total	2021	Beyond
Purchase commitments – non-current assets	19.7	19.7	-
Purchase commitments – *eaux-de-vie* (individual agreements)	451.7	71.9	379.8
Purchase commitments – *eaux-de-vie* (collective agreements)	14.0	14.0	-
Other purchase commitments	28.2	23.1	5.1

NOTE 26.2 FINANCING COMMITMENTS, DEPOSITS AND SIMILAR GUARANTEES

At 31 March *(in € millions)*	March 2020	March 2019
Customs deposits	29.3	22.5
Environmental deposits	2.7	2.7
Agricultural warrants on AFC inventories	62.0	70.0
Other guarantees	2.0	1.5

Breakdown of commitments by maturity as of 31 March 2020:

At 31 March *(in € millions)*	Total	2021	Beyond
Customs deposits	29.3	24.4	5,0
Environmental deposits	2.7	-	2.7
Agricultural warrants on AFC inventories	62.0	-	62.0
Other guarantees	2.0	1.0	0.9

NOTE 26.3 CONTINGENT ASSETS AND LIABILITIES RELATED TO DISPOSAL TRANSACTIONS

In connection with disposal transactions, guarantees in respect of liabilities are generally granted to the buyers for defined periods and amounts stipulated in the agreements. Liabilities for tax, excise duties and social security payments that may arise following audits covering periods prior to the sale are generally included until such liabilities lapse under the statute of limitations.

The guarantees granted and still outstanding at 31 March 2020 were as follows:

Disposal transaction	Transaction date	Nature of ongoing guarantees	Maturity	Maximum amount
Izarra – Distillerie de la Côte Basque	27 October 2015	Tax items	Legal period +30 days	€200 thousand

NOTE 26.4 OTHER CONTINGENT LIABILITIES

The tax litigation involving a French subsidiary of the Group resulted in a comprehensive settlement during the financial year, with no significant impact on the financial statements for the year.

At 31 March 2020, Rémy Cointreau was involved in various other litigation proceedings. After reviewing each case in relation to each subsidiary concerned, and after seeking legal advice, the provisions deemed to be necessary have been established to cover the estimated risks, where applicable.

Rémy Cointreau declares that it has not omitted any material off-balance sheet items in the presentation of its consolidated financial statements.

NOTE 27 RELATED PARTIES

NOTE 27.1 TRANSACTIONS WITH ASSOCIATES

At 31 March 2020, the Rémy Cointreau Group's main associate was Spirits Platform Pty Ltd.

The transactions with this company are described in note **6**.

NOTE 27.2 TRANSACTIONS WITH ORPAR AND ANDROMÈDE

Andromède is Rémy Cointreau's main shareholder, through Orpar. Transactions between Rémy Cointreau and these companies are as follows:

At 31 March *(in € millions)*	2020	2019
Service fees paid	2.9	2.6
Current-account agreement – debt(1)	20.0	40.0
Trade and other receivables	0.3	0.4

(1) *A shareholder current account advance agreement between Rémy Cointreau SA and Orpar SA was signed in March 2015. It now consists of €20 M at an interest rate of 0.60%, taking into account the early repayment of €20 M (31 March 2019: €40 M at 0.60%).*

NOTE 27.3 TRANSACTIONS WITH COMPANIES WITH A COMMON SHAREHOLDER OR DIRECTOR

Andromède, shareholder of Orpar, is also a shareholder of Oeneo Group, which is listed on Euronext Paris and is a market leader in the cooperage and corking business. As such, various Oeneo Group subsidiaries are suppliers to the Rémy Cointreau Group.

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At 31 March *(in € millions)*	2020	2019
Purchases of non-current assets	4.1	3.6
Other purchases	-	0.9
Trade payables	0.2	0.5

NOTE 27.4 MANAGEMENT BODIES

The Group's management bodies comprise the members of the Board of Directors and the Executive Committee.

The Executive Committee is comprised of the Chief Executive Officer and 11 members. Éric Vallat, Chief Executive Officer, succeeded Valérie Chapoulaud-Floquet, taking office on 1 December 2019.

The data below includes the remuneration due to members of the management bodies during their term of office with these bodies.

Short-term benefits include fixed and variable remuneration, benefits in kind and all social security charges directly linked to these remunerations.

At 31 March *(in € millions)*	2020	2019
Short-term benefits	8.2	8.8
End-of-contract indemnities	4.7	-
Post-employment benefits(1)	0.4	1.8
Share-based payments	2.6	1.8
Directors' fees paid to members of the Board of Directors	0.6	0.5
TOTAL	**16.4**	**12.7**

(1) *Primarily a defined-benefit pension plan (see note* ***25****). The corresponding liabilities for the management bodies were €3.2 M at 31 March 2020.*

NOTE 28 STATUTORY AUDITORS' FEES

The fees paid to the Statutory Auditors and the members of their network for the financial year ended 31 March 2020 amounted to €1.4 million for audit work and €0.1 million for other services.

	PricewaterhouseCoopers Audit[1]		ACA Nexia[2]	
	Amount 2020	% 2020	Amount 2020	% 2020
Certification of financial statements	**1,020**	**92%**	**341**	**97%**
• Rémy Cointreau SA	221		141	
• Fully consolidated subsidiaries	798		200	
Non-audit services[3]	**86**	**8%**	**12**	**3%**
• Rémy Cointreau SA	-		12	
• Fully consolidated subsidiaries	86		-	
TOTAL	**1,106**	**100%**	**353**	**100%**

(1) *Of which €392,000 for PricewaterhouseCoopers Audit for the statutory audit of the financial statements of the parent company and French subsidiaries and €32,000 for other services.*
(2) *Of which €222,000 for ACA for the statutory audit of the financial statements of the parent company and French subsidiaries and €12,000 for other services.*
(3) *Other engagements mainly consist of technical consultations on tax compliance for foreign subsidiaries and the CSR statement.*

NOTE 29 EVENTS AFTER THE REPORTING PERIOD

On 30 April 2020, the Group announced the finalisation of the acquisition of the House of cognac JR Brillet and part of its vineyards.

On 19 May 2020, the Bruichladdich distillery on the Isle of Islay in Scotland, received B Corporation certification (B-Corp) following a 15-month validation process. This certification recognises the high level of social and environmental performance. With this, Bruichladdich joins a network of 3,242 companies that have put people and the environment at the centre of their decision-making. It is the first whisky and gin distillery to obtain such certification.

On 15 June 2020, the Rémy Cointreau Group announced that it had entered into exclusive negotiations to acquire the Champagne House J. de Telmont.

NOTE 30 LIST OF CONSOLIDATED COMPANIES

At 31 March 2020, the scope of consolidation included 41 companies (44 at 31 March 2019). 40 companies were fully consolidated, and one was accounted for using the equity method.

All companies have a 31 March year-end, except Spirits Platform Pty Ltd., which has a 30 September year-end.

Company	Activity	% interest (in capital and voting rights) March 2020	March 2019
EUROPE			
France			
Rémy Cointreau SA(1)	Holding/Finance	100.0	100.0
Rémy Cointreau Services(1)	Holding/Finance	100.0	100.0
CLS Rémy Cointreau(1)	Production/Distribution	100.0	100.0
Domaines Rémy Martin(1)	Agricultural production	100.0	100.0
E. Rémy Martin & C°(1)	Production	100.0	100.0
Cointreau(1)	Production	100.0	100.0
Alliance Fine Champagne(2)	Special purpose entity	100.0	100.0
Domaine des Hautes Glaces(1)	Production	95.5	95.5
Rémy Cointreau International Marketing Services(1)	Other	100.0	100.0
Storeco(1)	Production	100.0	100.0
Other countries			
Rémy Cointreau Nederland Holding NV (Netherlands)	Holding/Finance	100.0	100.0
Cointreau Holding GmbH (Germany)	Holding/Finance	100.0	100.0
S. & E. & A. Metaxa ABE (Greece)	Production	100.0	100.0
Financière Rémy Cointreau SA (Belgium)	Holding/Finance	100.0	100.0
Rémy Cointreau Belgium (Belgium)	Distribution	100.0	100.0
Rémy Cointreau Europe & MEA SA (Switzerland)	Distribution	100.0	100.0
Rémy Cointreau Luxembourg SA (Luxembourg)	Distribution	100.0	100.0
Bruichladdich Distillery Company Ltd. (UK)	Production	100.0	100.0
Rémy Cointreau UK Ltd. (UK)	Holding/Finance	100.0	100.0
Rémy Cointreau UK Distribution Ltd. (UK)	Distribution	100.0	100.0
Rémy Cointreau International Spirits Ltd. (United Kingdom)	Holding/Finance	100.0	100.0
AMERICAS			
United States			
Rémy Cointreau USA Inc.	Distribution	100.0	100.0
Rémy Cointreau Amérique Inc.	Holding/Finance	100.0	100.0
Rémy Cointreau Travel Retail Americas Inc.	Distribution	100.0	100.0
The Westland Distillery Company	Production	100.0	100.0
Barbados			
Mount Gay Distilleries Ltd.	Production	95.2	95.2
Mount Gay Holding Ltd.	Holding/Finance	100.0	100.0
Other countries			
Cointreau Do Brazil (licores) Ltda (Brazil)	Other	100.0	100.0

Company	Activity	% interest (in capital and voting rights)	
		March 2020	March 2019
ASIA/PACIFIC/AFRICA			
China/Hong Kong			
Rémy Cointreau Shanghaï Ltd.	Distribution	100.0	100.0
E. Rémy Rentouma Trading Ltd.	Distribution	100.0	100.0
Shanghaï RC Trading Ltd.	Distribution	100.0	100.0
Rémy Concord Ltd.	Distribution	100.0	100.0
Rémy Pacifique Ltd.	Holding/Finance	100.0	100.0
Caves de France	Holding/Finance	100.0	100.0
Other countries			
Rémy Cointreau Taiwan Pte Ltd. (Taiwan)	Distribution	100.0	100.0
Rémy Cointreau Japan KK (Japan)	Distribution	100.0	100.0
Rémy Cointreau International Pte Ltd. (Singapore)	Distribution	100.0	100.0
RM Cointreau Vietnam Company Ltd. (Vietnam)	Distribution	100.0	100.0
Rémy Cointreau South Africa Pty Ltd. (South Africa)	Distribution	100.0	100.0
Rémy Cointreau Malaysia (Malaysia)	Distribution	100.0	100.0
Spirits Platform Pty Ltd. (Australia)(3)	Distribution	37.0	37.0
DISPOSALS			
Diversa Spezialitaten GmbH (Germany)	Distribution	-	50.0
Rémy Cointreau Slovakia sro (Slovakia)	Distribution	-	100.0
Rémy Cointreau Czech Republic sro (Czech Republic)	Distribution	-	100.0

(1) *Company included in the French tax consolidation group.*
(2) *Special-purpose entity.*
(3) *Equity-accounted company.*

5.7 Statutory Auditors' report on the consolidated financial statements

(For the year ended 31 March 2020)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying consolidated financial statements of Rémy Cointreau for the year ended 31 March 2020. These financial statements were approved by the Board of Directors on 3 June 2020 based on information available at that date and in the evolving context of the Covid-19 health crisis.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at 31 March 2020 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit-Finance Committee.

Basis for opinion

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from 1 April 2019 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5 (1) of Regulation (EU) No 537/2014 or the French Code of Ethics (*Code de déontologie*) for Statutory Auditors.

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, approved in the context described above, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

MEASUREMENT OF BRANDS AND GOODWILL – NOTE 3 TO THE CONSOLIDATED FINANCIAL STATEMENTS

Description of risk	How our audit addressed this risk
At 31 March 2020, the net value of brands and goodwill was €450.9 million and €29.1 million, respectively. The assets recorded under "Brands" are not amortised as they are legally protected, generate higher earnings than identical unbranded products and have indefinite useful lives. Brands and goodwill are tested for impairment at least once a year at the reporting date and whenever there is an indication of a decrease in value. For the purpose of these impairment tests, the assets are allocated to cash generating units (CGUs), whose structure is based on the brand portfolio. The recoverable amount of each CGU for impairment testing purposes is the higher of value in use or market value (less any costs to sell). The principal method used to estimate value in use is based on the present value of estimated future cash flows (excluding interest) generated by the use of each brand, asset or group of assets. Cash flows are estimated based on medium-term plans, the duration of which is tailored to the individual characteristics of each business. For example, the duration is five years for brands without ageing processes and 12 years for those with ageing processes. The terminal value is determined by applying a perpetual growth rate. Different discount rates are used and include a specific risk premium for each business. When recent transactions involving similar assets have taken place, the multiples for these transactions are used to determine market value. We deemed the measurement of these assets to be a key audit matter because the calculation of their recoverable amount requires a high degree of judgement from management in terms of projecting future cash flows and determining the main assumptions to be used.	With the assistance of our valuation experts, we examined the methods used to implement these impairment tests. For the impairment tests we deemed to be the most sensitive, our work consisted of: – assessing the consistency of the projected future cash flows with the estimates presented to the Board of Directors during the budget process, historical results and the economic and financial environment on the different markets in which the brands are operated; – gaining an understanding of the scenarios prepared by management to integrate the estimated impacts of the Covid-19 health crisis, in particular on the future cash flows used to calculate the value in use of the CGUs; – assessing the discount rates applied, by comparing their inputs with external references; – familiarising ourselves with the valuation reports prepared by independent appraisers at management's request and carrying out a critical review of these reports; – verifying, on a sample basis, the mathematical accuracy of the calculations performed in the impairment tests.

VALUATION OF EAU-DE-VIE INVENTORIES AND ELIMINATION OF INTERNAL MARGINS ON FINISHED GOODS INVENTORIES – NOTE 8 TO THE CONSOLIDATED FINANCIAL STATEMENTS

Description of risk	How our audit addressed this risk
The Group's inventories were carried in the statement of financial position at 31 March 2020 for a net amount of €1,363.9 million, representing 49% of total assets. These inventories mainly consisted of eau-de-vie undergoing ageing for an amount of €1,222.2 million, which may be held for periods ranging from three to more than 70 years. They remain classified within current assets in accordance with industry practice. The inventories undergoing ageing are recognised at cost, excluding interest, which is recorded in financial expenses in the period during which it is incurred. The cost price comprises the purchase price plus incidental costs and is increased each year by including costs directly attributable to the ageing process as well as to reflect evaporation. The approach used to determine realisable value takes into account the sale price of the finished goods developed using these inventories. We deemed this to be a key audit matter in view of the significant amount of inventories in the consolidated statement of financial position and the fact that the valuation of eau-de-vie is dependent on assumptions, estimates and assessments made by management. In addition, as a large number of distribution subsidiaries hold finished goods inventories, the elimination of internal margins in the consolidated financial statements is particularly important since it has an impact on the value of the Group's inventories.	Our work consisted of: – verifying the actual existence of the eau-de-vie inventories using sampling techniques during physical inventory counts; – obtaining an understanding of the procedures implemented to value eau-de-vie inventories undergoing ageing; – carrying out a critical assessment of the method used by management to value eau-de-vie inventories and examining the proper application of the valuation method, in particular by analysing fixed costs included in the inventory valuation; – assessing the realisable value by reference to the sale price of the finished goods that will be developed using these inventories. Our work consisted in examining, on a sample basis, the consistency between the internal margins eliminated in the consolidated financial statements, in particular by examining the margin levels generated with the different distribution subsidiaries.

Specific verifications

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As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also verified the information pertaining to the Group presented in the Board of Directors' management report dated 3 June 2020. Management has confirmed that events that have occurred and information that has come to light relating to the Covid-19 crisis since the consolidated financial statements were closed will be reported to the Shareholders' Meeting called to approve these financial statements.

We have no matters to report as to the fair presentation of the information presented in the management report and its consistency with the consolidated financial statements.

We attest that the Group management report includes the consolidated non-financial information statement required under Article L. 225-102-1 of the French Commercial Code. However, in accordance with Article L. 823-10 of the French Commercial Code, we have not verified the fair presentation and consistency with the consolidated financial statements of the information given in that statement, which will be the subject of a report by an independent third party.

Report on other legal and regulatory requirements

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed Statutory Auditors of Rémy Cointreau by the Shareholders' Meetings held on 24 July 2018 for PricewaterhouseCoopers Audit and on 26 September 1990 for Auditeurs et Conseils Associés.

At 31 March 2020, PricewaterhouseCoopers Audit and Auditeurs et Conseils Associés were in the second and thirtieth consecutive years of their engagement, including twenty-two years since the Company's shares were admitted to trading on a regulated market.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit-Finance Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

OBJECTIVE AND AUDIT APPROACH

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit.

They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

REPORT TO THE AUDIT-FINANCE COMMITTEE

We submit a report to the Audit-Finance Committee which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit-Finance Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit-Finance Committee with the declaration provided for in Article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit-Finance Committee.

Neuilly-sur-Seine and Paris, 29 June 2020

The Statutory Auditors

PricewaterhouseCoopers Audit	Auditeurs et Conseils Associés Aca Nexia
Olivier Auberty	Francois Mahé

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0612 / 3,426
1703
MASTER SELECT
MOUNT GAY
Barbados Rum
EST 1703
Release: 2020
Matured:
Minimum 10 Years
Master Blender: T.Branker
MOUNT GAY DISTILLERIES

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FINANCIAL STATEMENTS AT 31 MARCH 2020

6.1 Comparative statement of financial position

At 31 March *(in € millions)*	Notes	2020	2019
ASSETS			
Intangible fixed assets		-	-
Property, plant and equipment		-	-
Non-current financial assets	2	1,569.8	1,571.5
Fixed assets		**1,569.8**	**1,571.5**
Trade receivables	3	2.6	-
Other current assets	3	18.2	27.2
Marketable securities	4	10.2	16.7
Cash and cash equivalents		-	-
Current assets		**31.0**	**43.9**
Accruals and prepayments	5	2.1	2.4
TOTAL ASSETS		**1,602.9**	**1,617.8**
EQUITY AND LIABILITIES			
Share capital		80.2	80.2
Premiums		795.1	795.1
Reserves and retained earnings		69.0	97.0
Net profit/(loss) for the year		125.7	104.0
Shareholders' equity	6	**1,070.0**	**1,076.3**
Provisions for liabilities and charges	7	**8.6**	**16.7**
Borrowings and financial debt	8	477.8	468.8
Trade payables	9	1.9	0.4
Other current liabilities	9	44.6	55.6
Other liabilities		**524.3**	**524.8**
Accruals and deferred income		-	-
TOTAL EQUITY AND LIABILITIES		**1,602.9**	**1,617.8**

6.2 Comparative income statement

At 31 March *(in € millions)*	Notes	2020	2019
Operating income		**22.6**	**24.8**
Services provided	10	22.6	24.4
Other income		-	0.4
Operating expenses		**(35.9)**	**(37.7)**
Other purchases and external charges	11	(34.8)	(35.8)
Taxes		(0.1)	(0.2)
Payroll expense		(0.1)	(0.4)
Depreciation, amortisation and provisions	12	(0.3)	(0.8)
Other expenses		(0.6)	(0.5)
Operating results		**(13.3)**	**(12.9)**
Dividends received from investments		138.8	110.4
Loan income		-	1.4
Net income/expenses on other financial assets		(0.4)	0.3
Net interest and similar income		(3.4)	(4.0)
Charges/reversals for depreciation, amortisation and provisions		(1.5)	-
Net financial income/(expense)	13	**133.5**	**108.1**
Profit/(loss) on ordinary activities before tax		**120.2**	**95.2**
Net exceptional income/(expense)	14	**(3.5)**	**(5.0)**
Income tax	15	9.0	13.8
NET PROFIT/(LOSS) FOR THE PERIOD		**125.7**	**104.0**

6.3 Change in shareholders' equity

Share capital comprises 50,149,787 fully paid-up shares with a nominal value of €1.60.

The change in equity breaks down as follows:

(In € millions) *(In units for the number of shares)*	Number of shares	Share capital	Additional paid-in capital	Legal reserve	Retained earnings	Net profit/(loss)	Total
At 31 March 2018	**50,223,800**	**80.4**	**804.9**	**8.0**	**156.5**	**14.9**	**1,064.7**
Appropriation of earnings	-	-	-	-	14.9	(14.9)	-
Net profit/(loss) for the year	-	-	-	-	-	104.0	104.0
Dividend paid	725,987	1.1	72.2	-	(82.4)	-	(9.1)
Capital reduction	(800,000)	(1.3)	(82.0)	-	-	-	(83.3)
At 31 March 2019	**50,149,787**	**80.2**	**795.1**	**8.0**	**89.0**	**104.0**	**1,076.3**
Appropriation of earnings	-	-	-	-	104.0	(104.0)	-
Net profit/(loss) for the year	-	-	-	-	-	125.7	125.7
Dividend paid	-	-	-	-	(132.0)	-	(132.0)
AT 31 MARCH 2020	**50,149,787**	**80.2**	**795.1**	**8.0**	**61.0**	**125.7**	**1,070.0**

During the financial year ended 31 March 2019:

- a cancellation of securities involving 800,000 shares had been carried out following a share buyback program;
- 725,987 shares had been issued following the option offered of payment of the dividend in shares, at €1.65 per share.

There were no transactions to change the number of shares during the financial year ended 31 March 2020.

The Shareholders' Meeting of 24 July 2019 approved the payment of an ordinary dividend of €1.65 per share in respect of the financial year ended 31 March 2019. It also approved the payment of an extraordinary dividend of €1.00 per share. The dividend was paid out in cash-only on 16 September 2019 in the total amount of €132.0 million.

6.4 Statement of cash flows

At 31 March *(in € millions)*	2020	2019
OPERATING		
Net profit/(loss) for the period	125.7	104.0
Depreciation, amortisation and provisions	-	-
Charges/reversals on provisions (net)	(6.4)	(3.5)
(Gains)/losses on disposals of non-current assets	-	(0.2)
Cash flow	**119.3**	**100.3**
Change in working capital requirement	(3.1)	(4.5)
Cash flow – operating activities	**116.2**	**95.8**
Investments		
Acquisitions of treasury shares	-	(17.0)
Sales of assets	-	1.2
Decrease in loans	-	90.6
Changes in other non-current financial assets	0.3	(0.3)
Change in marketable securities	6.5	2.7
Cash flows – investments	**6.8**	**77.2**
Financing		
Capital and premium reduction	-	(83.3)
Dividend paid in cash	(132.0)	(9.1)
Long- and medium-term borrowings	30.0	-
Repayment of borrowings	(20.0)	(20.0)
Change in other financial debt	(1.0)	(60.6)
Cash flows – financing	**(123.0)**	**(173.0)**
Change in cash in the financial year	-	-
Cash and cash equivalents at the start of the financial year	-	-
Cash and cash equivalents at the close of the financial year	**-**	**-**

6.5 Notes to the Company's financial statements

Key events of the period

The COVID-19-related health crisis and the French declaration of a national health emergency by Emergency Bill 2020-290 of 23 March 2020 were the period's major events.

Pursuant to the provisions of the French General Chart of Accounts on the information to be included in the notes, the Company found that this crisis did not have a significant impact on its individual financial statements at 31 March 2020 due to its reporting date at the end of March and its business as a holding company.

Although the operations of its direct and indirect subsidiaries were impacted as described in the consolidated financial statements of the Rémy Cointreau Group, no risk has been identified to the value of the equity interests included in assets on the Company's statement of financial position.

NOTE 1 ACCOUNTING PRINCIPLES

The parent company financial statements were prepared in accordance with French laws and regulations (General Chart of Accounts) and generally-recognised accounting principles.

Accounting conventions have been adopted on a prudent basis and in accordance with the following basic assumptions:

- going concern principle;
- consistency of accounting policies from one period to the next;
- independence of financial periods.

The historical cost method was adopted as the basic method of accounting.

The measurement methods used for this period remain unchanged from the previous period.

The presentation of the financial statements has been summarised this year and a statement of cash flows is now presented replacing the financing table.

The main accounting principles and valuation methods used are as follows:

a. non-current financial assets are measured at acquisition cost or transfer value, less any provisions necessary to reconcile them with their value in use. Value in use is determined using a number of criteria, including in particular net assets, unrealised capital gains and future earnings potential;

b. receivables and liabilities are recorded at their nominal value. Any such items that are denominated in foreign currency are translated at the closing exchange rate for the year. Where applicable, a provision for doubtful debts is recorded on receivables to cover any risk of non-collection;

c. the difference arising from the valuation of liabilities and receivables in foreign currencies, using the closing exchange rate, is recorded in the statement of financial provision as a foreign currency translation reserve;

d. the valuation of marketable securities is performed on the day of the acquisition for investments and using the FIFO method for divestments.

NOTE 2 NON-CURRENT FINANCIAL ASSETS

At 31 March *(in € millions)*	Value at the start of the financial year	Impairment	Increase	Decrease	Value at the end of the financial year
Equity investments and merger losses allocated	1,549.9	-	-	-	1,549.9
Liquidity account (excluding treasury shares)	3.9	-	-	(2.4)	1.5
Liquidity account (treasury shares)	0.7	-	2.1	-	2.8
Treasury shares	17.0	(1.4)	-	-	15.6
TOTAL	**1,571.5**	**(1.4)**	**2.1**	**(2.4)**	**1,569.8**

The breakdown of equity investments is presented in note **18**.

The Company entered into a liquidity contract with a financial institution for the purpose of promoting the liquidity of the Company's securities and the regularity of their quotation on the market. At 31 March 2020, the total amount invested by the liquidity provider was €4.3 million, of which €2.8 million corresponding to 30,581 Rémy Cointreau securities held under the liquidity contract at the reporting date.

The Company directly holds 165,235 Rémy Cointreau shares acquired under a share buyback program, carried out during the previous financial year, for a gross amount of €17.0 million (note **6**), for a unit cost price of €102.92. These securities were impaired for €1.4 million at 31 March 2020, based on the average price for the month of March 2020, *i.e.* €94.51.

NOTE 3 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

Trade receivables totalling €2.6 million are exclusively with Rémy Cointreau Group companies.

"Other current assets" break down as follows:

At 31 March *(in € millions)*	2020	2019
Tax group receivables	-	8.2
Corporate income tax	8.6	-
VAT receivable	0.6	0.4
Revenue receivables	8.6	16.7
Other debtors	0.4	1.9
TOTAL	**18.2**	**27.2**

The €8.6 million in corporate income tax receivables corresponds to the overpayment between the calculated corporate income tax and the payments already made during the financial year. Reimbursement will be made at the time of the tax assessment in July 2020.

The "Revenue receivables" item corresponds to the valuation of the shares allocated to bonus share plans, the cost of which will be reassigned to the Group entities paying the beneficiaries at the end of the vesting period of these plans (note **6**). The €8.1 million change essentially corresponds to the reassignment of shares allocated in November 2019, at the time of expiry of the 2016 bonus share plan. The €8.6 million balance corresponds to the 2017 and 2019 bonus share plans for a total of 87,725 shares.

This accrued income is counterbalanced by accrued expenses in the same amount (note **7**) representing the future exit cost of these shares that are classified as marketable securities (note **4**).

€1.2 million of the reduction in "Other debtors" comes from the reclassification of receivables with Group companies as "Trade receivables."

The schedule of "Trade receivables and Other current assets" is as follows:

At 31 March *(in € millions)*	Gross	Less than one year	More than one year
Trade receivables	2.6	2.6	-
Other receivables	18.2	13.5	4.7
TOTAL	**20.8**	**16.1**	**4.7**

The sum of "Other receivables" at more than one year corresponds to the revenue receivables recorded under the 2019 bonus share plan.

NOTE 4 MARKETABLE SECURITIES

The "Marketable securities" item corresponds in full to the valuation of treasury shares allocated to coverage of existing bonus share plans (note **6**).

At the close of the financial year, the sum of €10.2 million corresponds to 104,250 treasury shares, of which 87,725 allocated to ongoing plans for an amount of €8.6 million, and 16,525 corresponding to rights since lapsed, for a net amount of €1.6 million.

The value of the unallocated shares was the subject of a €0.1 million provision for impairment due to the variance between the average acquisition price of €103.90 and the average share price for the month of March 2020 of €94.51.

The allocated shares were subject to revenue receivables and a provision for expenses (note **3** and note **7**).

The change of €(6.5) million compared to the previous financial year includes the exit of the shares remitted upon expiration of the 2016 plan, for €(6.4) million, and the €(0.1) million provision for impairment.

NOTE 5 ACCRUALS

Accruals and prepayments include the following items:

At 31 March *(in € millions)*	2020	2019
Prepaid expenses	**0.2**	**0.2**
Syndicated loan expenses of €100 million	0.3	0.4
Expenses on €80 million bond issue	0.2	0.2
OCEANE expenses of €275 million	1.4	1.6
Total deferred expenses	**1.9**	**2.2**
TOTAL	**2.1**	**2.4**

The schedule is as follows:

(in € millions)	Gross	Less than one year	More than one year
Prepaid expenses	**0.2**	**0.2**	**-**
Syndicated loan expenses of €100 million	0.3	0.1	0.2
Expenses on €80 million bond issue	0.2	-	0.2
OCEANE expenses of €275 million	1.4	0.2	1.2
Total deferred expenses	**1.9**	**0.3**	**1.6**
TOTAL	**2.1**	**0.5**	**1.6**

The costs of issuing and extending the loan are amortized over the term of the instruments, which have the following maturities:

- syndicated loan: 2 July 2025;
- private bond placement: 27 February 2025;
- OCEANE bond: 7 September 2026.

NOTE 6 TREASURY SHARES AND BONUS SHARE PLANS

At 31 March 2020, the Company directly and indirectly held 300,066 of its treasury shares, the cost of which is recorded in various balance sheet items. Shares held directly come from share buyback programs carried out during the financial years ended 31 March 2019 and 31 March 2018.

At 31 March *(in units)*	2020	2019
Shares held indirectly:		
Other financial assets – Liquidity account	**30,581**	**5,903**
Shares held directly to cover current and future bonus share plans		
Other financial assets – treasury shares	165,235	165,235
Marketable securities – allocation to plans in progress	87,725	170,950
Marketable securities – unallocated balance	16,525	-
Subtotal	**269,485**	**336,185**
TOTAL	**300,066**	**342,088**

Bonus share plans in progress at 2020 break down as follows:

BONUS SHARE PLANS

Grant date[(1)]	Plan No.	Vesting period	Minimum retention period	Rights initially granted	Value per right at grant date	Lapsed rights	Rights granted at the end of the vesting period	Rights outstanding at 31 March 2020
22 November 2016	2016	3 years	2 years	73,600	74.44	6,900	66,700	-
21 November 2017	2017	3 years	2 years	50,900	111.40	9,750	-	41,150
19 January 2019	2019	4 years	-	57,450	101.00	10,875	-	46,575
TOTAL				**181,950**		**27,525**	**66,700**	**87,725**

(1) The grant date is the date of the Board meeting which decided the allocations under each plan. The 2016 and 2017 plans were authorised by the Combined Shareholders' Meeting of 26 July 2016 and the 2019 plan by the Combined Shareholders' Meeting of 24 July 2018.

All plans are indexed plans (AGAI). The shares issued to beneficiaries at the end of the vesting period are subject to their continued employment with the Group. The number of shares will depend on the achievement of external and/or internal criteria.

2016 Plan: This plan expired on 26 November 2019. There were 66,700 rights outstanding, all of which have been granted. According to this plan's regulations, the maximum number of shares was granted if the overall performance of Rémy Cointreau stock (TSR – Total Shareholder Return) as at the end of the vesting period was superior to that of a panel of nine luxury goods and/or premium spirits companies. This plan was serviced in full by the delivery of shares held by Rémy Cointreau.

Plan 2017: the maximum number of shares will be granted if the overall performance of Rémy Cointreau stock (TSR – Total Shareholder Return) as at the end of the vesting period is superior to that of a panel of eight luxury goods and/or premium spirits companies. The Board of Directors will set the share delivery terms (delivery of treasury shares or creation of new shares) when deciding on the final allocation of the plan. As at the closing date, the plan was expected to be serviced in full by the delivery of shares held by Rémy Cointreau.

2019 Plan: 50% of the maximum number of shares will be granted if the overall performance of Rémy Cointreau stock (TSR – Total Shareholder Return) as at the end of the vesting period is superior to that of a panel of 10 luxury goods and/or premium spirits companies. 50% of the maximum number of shares will be granted if the current operating profit has reached the target set (target values defined for financial years 2019/2020 to 2022/2023). The Board of Directors will set the share delivery terms (delivery of treasury shares or creation of new shares) when deciding on the final allocation of the plan. At the reporting date, the plan was expected to be serviced in full by the delivery of shares held by Rémy Cointreau.

No plan was issued during the financial year ended 31 March 2020; a draft plan involving 48,600 shares was postponed indefinitely following the Board of Directors' decision of 24 March 2020.

NOTE 7 PROVISIONS FOR RISKS AND LIABILITIES

The "Provisions for risks and liabilities" item includes only provisions for liabilities recorded under the bonus share plans in progress (note **6**). This provision depends on the estimated number of shares that would be remitted on the basis of the performance and presence criteria of each plan in progress.

This provision is counterbalanced by revenues receivable in the same amount, reflecting the future reassignment of the cost to the Group entities paying the beneficiaries of these plans (note **3**).

At 31 March *(in € millions)*	Provisions for liabilities	Total
Opening balance	**16.7**	**16.7**
Reversal	(8.1)	(8.1)
CLOSING BALANCE	**8.6**	**8.6**

During the financial year, an €8.1 million reversal of the provision for liabilities was performed, of which €6.4 million due to the completion of the 2016 Plan and €1.7 million related to the adjustment of estimates for the 2017 and 2019 Plans.

NOTE 8 BORROWINGS AND FINANCIAL DEBT

Borrowings and financial debt break down as follows:

At 31 March *(in € millions)*	2020	2019
Convertible bonds (OCEANE)	275.0	275.0
Private placement bonds	80.0	80.0
Accrued interest	0.4	0.4
Total bonds	**355.4**	**355.4**
Drawdown on syndicated loan	30.0	-
Current account agreement	20.0	40.0
Amounts due to Group subsidiaries	72.1	73.0
Accrued interest	0.3	0.4
TOTAL	**477.8**	**468.8**

The maturity of these borrowings and other liabilities are as follows:

At 31 March *(in € millions)*	Gross	Less than one year	1 to 5 years	More than 5 years
Bonds	355.4	0.4	80.0	275.0
Syndicated loan	30.0	-	30.0	-
Other liabilities	92.4	92.4	-	-
TOTAL	**477.8**	**92.8**	**110.0**	**275.0**

OCEANE

On 7 September 2016, as part of a private placement with institutional investors, Rémy Cointreau issued bonds with an option to convert to and/or exchange for new and/or existing shares (OCEANE), with a maturity date of 7 September 2026 and a nominal amount of €275 million, or 2,484,191 OCEANE with a par value of €110.70 each.

The par value of the OCEANE bonds incorporates an issue premium of 40% based on the reference price of the Company's shares on the Euronext Paris regulated market. OCEANE bondholders are entitled to new and/or existing Rémy Cointreau shares, at the conversion rate of one share per OCEANE, subject to potential subsequent adjustments exercisable on 7 September 2023. This conversion rate was increased to 1.001 share per OCEANE following the payment of the dividend of €1.65 per share on 4 September 2017.

The OCEANE bonds bear interest at a nominal annual rate of 0.125%, payable in arrears on 7 September each year.

Private bond placement

On 27 February 2015, Rémy Cointreau issued an €80.0 million bond in the form of a private placement with a leading European insurer. These 10-year bonds bear interest at 2.945%.

This contract is unsecured. Availability of the funds is subject to the A ratio (see Syndicated loan) remaining below 3.5 at each half-year end for the duration of the contract.

Syndicated loan

Since 2 July 2018, Rémy Cointreau has had a €100 million syndicated loan with a pool of nine banks.

This loan, with a 5-year initial maturity (with a potential 2-year extension), was extended by one year during the financial year, bringing the term to six years. Amounts drawn down bear interest at EURIBOR plus a margin of between 35 and 125 bps, depending on the Group's level of debt.

This facility is unsecured.

The availability of the facility is contingent upon the "Average net debt/EBITDA" ratio (the "A ratio") being less than or equal to 4.0 at 30 September and 31 March of each year until maturity. At 31 March 2020, the ratio was 1.86 (September 2019: 1.39; March 2019: 1.19).

Current-account agreement

On 31 March 2015, Rémy Cointreau signed a current-account agreement with its shareholder ORPAR for a €60 million interest-bearing advance, fully paid up on 7 April 2015, for a maximum period of three years, *i.e.* to be repaid no later than 7 April 2018.

An amendment signed on 30 March 2018 extended the term by three years and, with effect from 8 April 2018, reduced the interest rate from 1.25% to 0.60%. Partial repayments in the amount of €20 million were carried out on 21 January 2019 and 16 March 2020, bringing the balance at 31 March 2020 to €20 million.

Financial liabilities with Financière Rémy Cointreau

The Company has a financial current account with Financière Rémy Cointreau as part of an intra-Group agreement.

NOTE 9 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

Trade payables of €1.9 million essentially include debts to other Group entities.

The "Other current liabilities" item breaks down as follows:

At 31 March *(in € millions)*	2020	2019
Tax and social security liabilities	0.2	6.7
Tax instalments paid by companies within the tax group	13.5	-
Tax group balance	30.2	44.6
Accrued expenses	-	0.2
Other creditors	0.7	4.1
TOTAL	**44.6**	**55.6**

Tax consolidation current account

At year-end, the amount of tax instalments received from companies in the tax consolidation group exceeded the corporate income tax they owe by €13.5 million compared. This amount will be repaid to them at the time of the tax assessment in July 2020.

Tax group balance

This balance is the differential between the corporate income tax expenses included in the tax group and the taxes owed after consolidation of tax-consolidated companies.

Other creditors

The reduction in other creditors comes mainly from the reclassification of receivables of Group companies as "Trade receivables," previously recorded as other creditors (€3.5 million in 2019).

The schedule of trade payables and other current liabilities is as follows:

At 31 March *(in € millions)*	Gross	Less than one year
Trade payables	1.9	1.9
Other current liabilities	44.6	44.6
TOTAL	**46.5**	**46.5**

NOTE 10 SERVICES PROVIDED

Operating revenue totalled €22.7 million and essentially comprised services invoiced to Rémy Cointreau Group subsidiaries, of which €11.8 million to French companies and €10.9 million to foreign companies.

NOTE 11 OTHER PURCHASES AND EXTERNAL EXPENSES

At 31 March *(in € millions)*	2020	2019
Services provided	(33.6)	(33.9)
Fees and commissions	(0.8)	(1.0)
Banking and similar services	(0.3)	(0.7)
Contributions	(0.1)	(0.2)
TOTAL	**(34.8)**	**(35.8)**

NOTE 12 DEPRECIATION, AMORTISATION AND PROVISIONS

Depreciation and amortisation classified as operating expenses relate exclusively to expenses incurred for the arrangement of borrowings and lines of credit, which are amortised over the term of the instruments.

At 31 March *(in € millions)*	2020	2019
Syndicated loan expenses of €100 million	(0.1)	(0.6)
Expenses on €80 million bond issue	(0.0)	(0.0)
OCEANE expenses of €275 million	(0.2)	(0.2)
TOTAL	**(0.3)**	**(0.8)**

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NOTE 13 FINANCIAL RESULT

(in € millions)	Notes	2020	2019
Dividends received from investments		138.8	110.4
Loan income		-	1.4
Net income/expenses on other financial assets		(0.4)	0.3
Net interest and similar income		(3.4)	(4.0)
Charges/reversals for depreciation, amortisation and provisions		(1.5)	-
NET FINANCIAL INCOME/(EXPENSE)	13	**133.5**	**108.1**

Dividends received from subsidiaries, which were greater than the previous financial year, are broken down in note **18**.

The "Net income/expenses from the sale of other financial assets" item comes from the liquidity account.

Interest relates to the various borrowings and lines of credit described in note **8**.

The amount shown in the "Depreciation, amortisation and provisions" item relates to the impairment of treasury shares and marketable securities.

NOTE 14 NET EXCEPTIONAL INCOME/(EXPENSE)

At 31 March *(in € millions)*	2020	2019
Capital gains on the disposal of equity investments	-	0.2
Loss on early redemption of a loan	-	(5.2)
Penalties and other	(3.5)	-
Movement related to management of bonus share plans:		
Increase in revenue receivables (note **3**)	(1.7)	5.7
Provision for liabilities (note **7**)	-	(5.8)
Reversal of provision for liabilities (note **7**)	8.1	6.4
Change in treasury shares due to the maturity of plans (note **6**)	(6.4)	(6.3)
TOTAL	**(3.5)**	**(5.0)**

NOTE 15 INCOME TAX

Tax group

Rémy Cointreau elected to form a tax group with effect from 1 April 1993 for Group companies as provided for under Article 223A of the French General Tax Code.

The main terms and conditions governing tax consolidation agreements are as follows:

- the taxable income from consolidated companies is determined as if they were taxed separately;
- the tax savings resulting from the use of losses from Group companies are only temporary because the subsidiaries may still make use of them. Therefore, these temporary savings are booked as payables to the subsidiaries in question;
- Rémy Cointreau SA is solely responsible for paying the additional tax resulting from any deconsolidation of a Group company.

The following companies are included in the tax group: Rémy Martin, Cointreau, Rémy Cointreau Services, CLS Rémy Cointreau, Domaines Rémy Martin, Rémy Cointreau International Marketing Services, Storeco, Rémy Cointreau Libra and Domaine des Hautes Glaces.

The net gain of €9.0 million in corporate income tax corresponds to the Group tax savings for the financial year of €9.8 million and an expense of €0.8 million on the item "Tax relief, adjustments and tax risk".

Increase and reduction in future tax liabilities

The Company has no significant temporary differences in the calculation of its taxable income.

NOTE 16 OFF BALANCE-SHEET COMMITMENTS

Financial commitments

At the reporting date, the Company's commitments concern guarantees granted to a Group subsidiary (Financière Rémy Cointreau) for €65 million and to banks for various financing lines for €34.8 million.

Contingent liabilities relating to asset disposals

In connection with disposal transactions, guarantees in respect of liabilities are generally granted to the buyers for defined periods and amounts stipulated in the agreements. Liabilities for tax, excise duties and social security payments that may arise following audits covering periods prior to the sale are generally included until such liabilities lapse under the statute of limitations.

At 31 March 2020, no guarantees are outstanding.

NOTE 17 OTHER INFORMATION

Remuneration of corporate officers

The overall amount of directors' fees allocated to Board members was set during the Board of Directors' meeting of 4 June 2019, at €620,000 for the current and future financial years until otherwise decided.

Statutory Auditors' fees

The amount of Statutory Auditors' fees shown in the income statement for the financial year is €388 thousand (excl. VAT) and mainly covers the assignments for the certification of Rémy Cointreau SA's parent company and consolidated financial statements.

At 31 March *(in € thousands)*	Pricewaterhouse Coopers Audit	Auditeurs & Conseils Associés	Total
Statutory Auditors	227	149	376
Services other than financial statement certification	-	12	12
TOTAL	**227**	**161**	**388**

NOTE 18 LIST OF SUBSIDIARIES AND EQUITY INVESTMENTS AS AT 31 MARCH 2020

At 31 March *(in thousands of foreign currencies)*	Currency	Capital *(currency)*	Shareholders' equity excluding capital *(currency)*	Share capital held	Gross value of capital held	Merger loss on securities held	Total value of securities held	Provisions on securities	Dividends received	Sales ex-tax prior year	Net profit/(loss) after tax	Date of year-end
A) French companies												
E. Rémy Martin & C°	EUR	6,725	405,236	100	381,708	18,969	400,677	-	26,372	279,262	29,539	31/03/2020
Cointreau	EUR	4,037	154,400	100	89,103	13,407	102,510	-	-	53,475	(1,023)	31/03/2020
Rémy Cointreau Services	EUR	1,114,805	196,438	93	1,046,700	-	1,046,700	-	112,363	13	158,323	31/03/2020
Total gross value					**1,517,511**	**32,376**	**1,549,887**	**-**	**138,735**			
B) Foreign companies												
Other foreign subsidiaries	EUR	-	-	-	3	-	3	2	-	-	-	-
Total gross value	**EUR**	**-**	**-**	**-**	**3**	**-**	**3**	**2**	**-**	**-**	**-**	**-**
Total gross value (A+B)					**1,517,514**	**32,376**	**1,549,890**	**2**				
TOTAL CARRYING AMOUNT					**1,517,511**	**32,376**	**1,549,888**					

NOTE 19 EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period to be mentioned in respect of Rémy Cointreau SA. For the Rémy Cointreau Group, this information is presented in note **29** to the consolidated financial statements.

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6.6 Financial results for the past five years

At 31 March *(in € millions)* *(in units for the number of shares)*	2020[1]	2019	2018	2017	2016
1. Share capital at year-end					
Share capital	80.2	80.2	80.4	79.5	78.0
Number of shares in circulation	50,149,787	50,149,787	50,223,800	49,692,184	48,735,014
Maximum number of shares to be created through the conversion of bonds	-	-	-	-	-
2. Operations and results for the year					
Sales excluding taxes	22.7	24.4	21.8	20.2	18.7
Profit before tax, depreciation, amortisation and provisions	110.5	90.4	18.9	138.6	47.0
Income tax	9.0	13.8	6.2	6.5	18.9
Profit/(loss) after tax, depreciation, amortisation and provisions	125.7	104.0	14.9	151.2	67.1
Dividends	50.1	132.9	82.9	82.0	78.0
3. Earnings per share *(in €)*					
Profit/(loss) after tax, but before depreciation, amortisation and provisions	2.38	2.04	0.56	2.79	1.35
Profit/(loss) after tax, depreciation, amortisation and provisions	2.51	2.07	0.30	3.04	1.38
Net dividend distributed per share	1.00	2.65	1.65	1.65	1.60
4. Employees					
Number of employees	-	-	-	-	-
Total payroll	-	-	-	-	-
Amount paid in employee benefits	-	-	-	-	-
Profit sharing (included in total payroll)	-	-	-	-	-

(1) *Subject to approval of the Ordinary Shareholders' Meeting.*

6.7 Statutory Auditors' report on the financial statements

For the year ended 31 March 2020

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

RÉMY COINTREAU
21, boulevard Haussmann
75009 Paris, France

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying financial statements of Rémy Cointreau for the year ended 31 March 2020. These financial statements were approved by the Board of Directors on 3 June 2020 based on information available at that date and in the evolving context of the Covid-19 health crisis.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at 31 March 2020 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit-Finance Committee.

Basis for opinion

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from 1 April 2019 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No 537/2014 or the French Code of Ethics (Code de déontologie) for Statutory Auditors.

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, approved in the context described above, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

MEASUREMENT OF EQUITY INVESTMENTS – NOTES 1, 2 AND 18 TO THE FINANCIAL STATEMENTS

Description of risk	How our audit addressed this risk
At 31 March 2020, the carrying amount of equity investments recognised in the balance sheet was €1,549.9 million, representing 97% of total assets. Equity investments are stated at acquisition cost or transfer value. As indicated in Note 1 "Accounting policies" to the financial statements, the recoverable amount is assessed using a number of criteria, including net asset value, unrealised capital gains and the future earnings potential of the subsidiary concerned. Given the materiality of equity investments in the balance sheet, the significant judgement exercised by management to estimate the recoverable amount and the sensitivity to changes in the assumptions underlying the estimated values, we deemed the measurement of the recoverable amount of equity investments to be a key audit matter.	Based on the information provided to us, our work consisted primarily in: – assessing the process implemented by the Company to determine the recoverable amount of equity investments; – verifying that the criteria applied by management to determine the recoverable amount are appropriate and that any impairment calculated based on those values is correct: – verifying that the equity values used are consistent with the financial statements of the entities valued, in particular for valuations based on historical data.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

Information given in the management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report dated 3 June 2020 and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements. Management has confirmed that events that have occurred and information that has come to light relating to the Covid-19 crisis since the financial statements were closed will be reported to the Shareholders' Meeting called to approve these financial statements.

We attest to the fair presentation and the consistency with the financial statements of the information about payment terms referred to in Article D. 441-4 of the French Commercial Code.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code relating to remuneration and benefits paid or awarded to corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements, and, where applicable, with the information obtained by the Company from controlled companies within its scope of consolidation. Based on this work, we attest to the accuracy and fair presentation of this information.

Concerning the information given in accordance with the requirements of Article L. 225-37-5 of the French Commercial Code relating to those items the Company has deemed liable to have an impact in the event of a takeover bid or exchange offer, we have verified its consistency with the underlying documents that were disclosed to us. Based on this work, we have no matters to report with regard to this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on other legal and regulatory requirements

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed Statutory Auditors of Rémy Cointreau by the Shareholders' Meetings held on 24 July 2018 for PricewaterhouseCoopers Audit and on 26 September 1990 for Auditeurs et Conseils Associés.

At 31 March 2020, PricewaterhouseCoopers Audit and Auditeurs et Conseils Associés were in the second and thirtieth consecutive years of their engagement, including twenty-two years since the Company's shares were admitted to trading on a regulated market.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit-Finance Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems relating to accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the financial statements

OBJECTIVE AND AUDIT APPROACH

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit.

They also:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT TO THE AUDIT-FINANCE COMMITTEE

We submit a report to the Audit-Finance Committee which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit-Finance Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit-Finance Committee with the declaration provided for in Article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit-Finance Committee.

Neuilly-sur-Seine and Paris, 29 June 2020

The Statutory Auditors

PricewaterhouseCoopers Audit

Olivier Auberty

Auditeurs et Conseils Associés
ACA Nexia

Francois Mahé


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SHARE CAPITAL AND SHAREHOLDING STRUCTURE

7.1 General information about the share capital

7.1.1 Changes to the capital and shareholders' rights

The share capital can be changed in accordance with legal requirements. It may be increased by a decision taken at an Extraordinary Shareholders' Meeting. However, where a capital increase is carried out by incorporation of reserves, profits or share premiums, the relevant Extraordinary Shareholders' Meeting which decides such an increase, rules under the *quorum* and majority conditions required for Ordinary Shareholders' Meetings.

Delegations for capital increases are granted to the Board of Directors for a period of 26 months by the Extraordinary Shareholders' Meeting, which sets the terms governing new issues, with the exception of resolutions relating to bonus share or stock option awards, which are granted for a period of 38 months.

The Extraordinary Shareholders' Meeting may decide to reduce the share capital, particularly by way of repurchase of shares or reduction in their nominal value, or again, by reduction in the number of shares in accordance with legal provisions.

The share capital may also be written down in accordance with the law.

7.1.2 Amount of share capital

At 31 March 2020, the share capital amounted to €80,239,659.20 divided into 50,149,787 shares, with a par value of €1.60 each, all in the same class, fully paid up and comprising 79,715,679 voting rights.

Form of the shares: fully paid shares are in registered or bearer form, as decided by the shareholder.

7.1.3 Authorised capital (delegations for capital increase)

AUTHORISATION TO GRANT SUBSCRIPTION AND/OR PURCHASE OPTIONS FOR ORDINARY SHARES IN THE COMPANY TO EMPLOYEES AND CERTAIN CORPORATE OFFICERS

The Combined Shareholders' Meeting, under its 31st resolution, authorised the Board of Directors, for a period of 38 months as from 24 July 2018 (*i.e.* until 24 September 2021), in accordance with the provisions of Articles L. 225-177 *et seq*. of the French Commercial Code, to grant, on one or more occasions, for the benefit of employees of the Company and companies under Article L. 225-180 of the French Commercial Code, as well as to corporate officers within the meaning of law, options giving the right to subscribe for new Company shares, to be issued for the purpose of a capital increase, or options giving right to the purchase of shares in the Company resulting from a share buyback under the conditions stipulated in Articles L. 225-208 or L. 225-209 *et seq*. of the French Commercial Code, it being specified that in accordance with the provisions of Article L. 225-182 of the French Commercial Code, the Board of Directors may not grant options to corporate officers and employees of Company affiliates that hold more than 10% of the share capital.

The Board of Directors will carry out the allocations and determine the identity of the beneficiaries as well as the conditions and, where appropriate, the criteria of allocation of options.

The total number of shares likely to be subscribed or purchased by the beneficiaries may not exceed 2% of the share capital at the date of the allocation decision by the Board of Directors. In addition, the total number of shares likely to be subscribed or purchased by the beneficiaries through the exercise of the options granted may not exceed 0.2% of the share capital existing at the date of the allocation decision by the Board of Directors and may not exceed the ceiling provided for in the twenty-third resolution of the Shareholders' Meeting of 24 July 2018.

The subscription or purchase price of shares for the beneficiaries of options shall be set by the Board of Directors subject to the limits indicated hereafter:

- with regard to share subscription options, the subscription price may not be lower than the average of the listed prices during the twenty trading days prior to the date on which the options are granted; and
- with regard to ordinary share purchase options, the price may not be either lower than the average of the listed prices during the twenty trading days prior to the date on which the options are granted, or lower than the average purchase price of shares owned by the Company in respect of Articles L. 225-208 and/or L. 225-209 of the French Commercial Code.

Subscription options and ordinary share purchase options granted pursuant to this authorisation must be exercised within a maximum of 10 years from their allocation.

The Board of Directors may, in accordance with legal requirements, decide the type of options offered (subscription or purchase options) and the terms and conditions of the plan(s), set the conditions, dates, clauses prohibiting the immediate resale and lock-up period.

The Board of Directors may make the grant of some or all of the shares conditional on the attainment of one or more performance conditions. In the case of executive officers, the bonus share grants will be subject to compliance with performance conditions determined by the Board of Directors.

AUTHORISATION FOR THE GRANT OF BONUS SHARES TO EMPLOYEES AND SOME CORPORATE OFFICERS

The thirtieth resolution of the Combined Shareholders' Meeting of 24 July 2018 authorised the Board of Directors, for a period of 38 months from 24 July 2018 (*i.e.* until 24 September 2021), pursuant to the provisions of Articles L. 225-197-1 *et seq*. of the French Commercial Code, on one or more occasions, to grant employees of the Company or related companies within the meaning of Article L. 225-197-2 of the French Commercial Code or certain categories thereof, as well as corporate officers defined by law, bonus shares, whether existing or to be issued, subject to the statutory trading restriction periods.

THE BOARD OF DIRECTORS WILL DETERMINE THE IDENTITY OF THE BENEFICIARIES OF THE ALLOCATION AS WELL AS THE CONDITIONS AND, WHERE APPROPRIATE, THE CRITERIA OF ALLOCATION OF SHARES.

The total number of bonus shares thereby awarded may not be, under this resolution, a number of bonus shares representing more than 2% of the number of shares making up the share capital on the day of the decision by the Board of Directors to allocate shares. Furthermore, the total number of bonus shares awarded to executive officers may not represent more than 0.2% of the number of shares making up the share capital on the day of the decision by the Board of Directors to allocate the bonus shares and may not exceed the maximum amount of €1,600,000.

The allocation of shares to their beneficiaries will become final at the end of a minimum vesting period of one year and the minimum period of retention of shares by the beneficiaries is set at one year. However, if the vesting period is a minimum of two years, the Shareholders' Meeting authorises the Board of Directors not to impose any retention period for the shares in question.

The Board of Directors may, in accordance with legal requirements, place restrictions on the sale of bonus share allocations by executive officers prior to the termination of their position or may set the number of such shares to be held in the form of registered shares until the termination of their position.

The Board of Directors may make the grant of some or all of the shares conditional on the attainment of one or more performance conditions. In the case of executive officers, the bonus share grants will be subject to compliance with performance conditions determined by the Board of Directors.

The Board of Directors will proceed, where appropriate, during the vesting period with adjustments to the number of shares arising from transactions in the capital of the Company in order to preserve the rights of the beneficiaries.

All other authorisations granted to the Board of Directors, approved at the Shareholders' Meeting of 24 July 2018 (resolutions 23 to 29 inclusive) for a period of 26 months, will be submitted for shareholder approval at the next Annual Shareholders' Meeting.

These will be summarised in the table below and their detailed terms and conditions will be provided in Chapter 8.

TABLE SUMMARISING THE AUTHORISATIONS CURRENTLY IN FORCE GRANTED TO THE BOARD OF DIRECTORS IN RESPECT OF CAPITAL INCREASES

Description of the authorisation	Date of Shareholders' Meeting and resolution no.	Nominal amount of the authorisation	Period of the validity of the authorisation	Use made of authorisation during the financial year
Grant of bonus shares, existing or to be issued for the benefit of employees and executive officers	24 July 2018 no. 30	limited to 2% of the share capital and €1.6 million for shares to be issued(1)	38 months	Grant of 66,700 shares
Subscription and/or purchase options for ordinary shares in the Company for the benefit of employees and executive officers	24 July 2018 no. 31	Limited to 2% of the share capital and €20 million for shares to be issued(2)	38 months	None
Issue of shares or marketable securities giving access to share capital with preferential subscription rights and/or the issue of marketable securities granting entitlement to the allocation of debt securities	24 July 2018 no. 23	• €20,000,000 capital increase(3) • €500,000,000 in debt securities(4)	26 months	None
Issue of marketable securities giving access to share capital without preferential subscription rights and/or the issue of marketable securities granting entitlement to the allocation of debt securities: • by public offering; • by private placement.	24 July 2018 no. 24 no. 25	• €15,000,000 capital increase(5) • €500,000,000 in debt securities(6)	26 months	None
Issue of shares, securities or marketable securities, freely setting the issue price	24 July 2018 no. 26	limited to 10% of the share capital(7)	26 months	None
Increase in the number of shares to be issued in the event of over-subscription	24 July 2018 no. 27	limited to 15% of the initial issue	26 months	None
Capital increase by incorporation of reserves, profits or premiums	24 July 2018 no. 29	€20,000,000(8)	26 months	None
Capital increase in consideration for contributions in kind	24 July 2018 no. 28	limited to 10% of the share capital(9)	26 months	None
Capital increase in consideration for contributions of securities in the event of a public exchange offer	24 July 2018 no. 24	€15,000,000(10)	26 months	None

(1) *Deducted from the ceiling provided for in the twenty-fourth resolution of the Shareholders' Meeting of 24 July 2018.*
(1) *Deducted from the ceiling provided for in the twenty-third resolution of the Shareholders' Meeting of 24 July 2018.*
(3) *Deducted from the ceiling provided for in the twenty-fourth, twenty-fifth, twenty-sixth, twenty-seventh, twenty-eighth, twenty-ninth, thirtieth, thirty-first and thirty-second resolutions of the Shareholders' Meeting of 24 July 2018.*
(4) *Deducted from the marketable securities representative of debt securities giving access to the capital or granting entitlement to the allocation of debt securities likely to be issued in connection with the authorisations granted to the Board of Directors by the Shareholders' Meeting of 24 July 2018.*
(5) *From the ceiling provided for in the twenty-fourth, twenty-fifth, twenty-sixth, twenty-seventh, twenty-eighth, thirtieth, thirty-first and thirty-second resolutions of the Shareholders' Meeting of 24 July 2018.*
(6) *Deducted from the ceiling provided for in the twenty-third and twenty-fourth resolutions of the Shareholders' Meeting of 24 July 2018.*
(7) *Deducted from the ceiling provided for in the twenty-fourth and twenty-fifth resolutions of the Shareholders' Meeting of 24 July 2018.*
(8) *Deducted from the ceiling provided for in the twenty-third resolution of the Shareholders' Meeting of 24 July 2018.*
(9) *Deducted from the ceiling provided for in the twenty-fourth resolution of the Shareholders' Meeting of 24 July 2018.*
(10) *Deducted from the ceiling provided for in the twenty-fifth, twenty-sixth, twenty-seventh, twenty-eighth, thirtieth, thirty-first and thirty-second resolutions of the Shareholders' Meeting of 24 July 2018.*

NON-EQUITY SECURITIES

Rémy Cointreau issued two bonds in the amount of €80 million, with a 10-year maturity, on 27 February 2015, and, in the form of 10-year bonds convertible into new and/or existing shares, in the amount of €275 million, on 7 September 2016.

The features of these transactions are described in the notes to the consolidated financial statements and the notes to the parent company financial statements of Rémy Cointreau for 2019/2020.

AUTHORISATION TO ISSUE SECURITIES GIVING ACCESS TO THE SHARE CAPITAL

The authorisation for a new Company stock option plan was approved at the Shareholders' Meeting of 24 July 2018, however it was not used during the year.

Details of the previous plans allocated and outstanding shares appear in note **11.3** to the consolidated financial statements in section 5.6.

CHANGES IN THE SHARE CAPITAL OVER THE PAST FIVE YEARS

Dates	Type of transaction	Number of shares created or cancelled	Share capital *(in €)*	Premiums *(in €)*	Cumulative share capital *(in €)*	Number of shares in the share capital
24/09/2015	Partial payment of dividend in shares	24,761	39,617.60	1,401,472.60	77,976,022.40	48,735,014
22/09/2016	Partial payment of dividend in shares	957,170	1,531,472	63,307,223.80	79,507,494.40	49,692,184
11/09/2017	Partial payment of dividend in shares	635,254	1,016,406.40	56,111,985.82	80,523,900.80	50,327,438
17/01/2018	Capital reduction by cancellation of treasury shares	(103,638)	(165,820.80)	(9,843,724.16)	80,358,080	50,223,800
24/09/2018	Partial payment of dividend in shares	725,987	1,161,579.20	72,242,966.37	81,519,659.20	50,949,787
17/01/2019	Capital reduction by cancellation of treasury shares	(800,000)	(1,280,000)	(82,030,907.97)	80,239,659.20	50,149,787

7.1.4 Authorisation to trade in Company shares

LIQUIDITY CONTRACT

The Company concluded a liquidity contract with a liquidity provider. As part of this mandate, the liquidity provider's sole purpose is to promote the liquidity of the Company's securities and the regularity of their quotation on the market. At 31 March 2020, the Company held 30,581 such shares.

SHARE BUYBACK PROGRAMME

Under the 21st resolution of the Rémy Cointreau Combined shareholders' meeting of 24 July 2018, the Board of Directors was authorised to buy or sell Company shares for a period expiring at the end of the Shareholders' Meeting held to approve the financial statements for the financial year ending on 31 March 2019 and, at the very latest, within a period of 18 months starting on 24 July 2018, up to a limit of 10% of the share capital, *i.e.* 4,802,083 shares, net of treasury shares. The maximum amount that the Company was liable to pay based on this number of shares was €960,416,600.

The share buyback programme was designed to achieve the following, in order of decreasing priority:

- to ensure liquidity or promote trading in the secondary market in Rémy Cointreau shares *via* an investment service provider, under the terms of a liquidity agreement that complies with the Ethics Charter recognised by the French Financial Markets Authority;
- to cancel shares as part of a share capital reduction;
- to cover obligations in respect of marketable securities giving access to capital;
- to grant shares in accordance with the terms and conditions provided by law, notably as part of a profit-sharing plan, to cover stock options, as part of a Company savings plan or to be used to grant bonus shares to employees and/or authorised corporate officers of the Company and/or companies related to it within the meaning of Articles L. 225-197-1 *et seq*. of the French Commercial Code;
- to purchase shares and retain them to be used subsequently in exchange or payment for acquisitions, in accordance with applicable regulations;
- to implement any market practices permitted by the French Financial Markets Authority (Autorité des marchés financiers, AMF) and, more generally, carry out all transactions in compliance with the regulations in force.

The purchase of these shares, together with their sale or transfer, could be performed under legal and regulatory conditions at any time, subject to the lock-up periods set out in Article 631-6 of the General Regulation of the French Financial Markets Authority, or subject to other legal or regulatory provisions, and by any means, including on the market or off-market, on regulated or unregulated markets, *via* multilateral trading facilities, with systematic internalisers, or over the counter, including by public offering, block transactions, sale with repurchase options and the use of any derivative financial instruments traded on a regulated market or not, multilateral trading facilities, with systematic internalisers or over the counter, including under the conditions authorised by the competent market authorities, and during the periods that the Board of Directors, or the person acting on the authority of the Board of Directors, shall choose, most notably option transactions, except for the sale of put options, and inasmuch as such means do not contribute to a significant increase in the volatility of the share price. The maximum portion of the capital acquired or transferred in the form of block transactions may amount to 100% of the authorised share buyback programme. Payment may be made by any means.

As part of these objectives, the repurchased shares could be cancelled in accordance with the twenty-second resolution of the same Shareholders' Meeting, subject to a limit of 10% of the share capital per period of 24 months.

The maximum share purchase price was set at €200 by the Shareholders' Meeting.

During the 2018/2019 financial year, the Board of Directors (of 24 July 2018) used this authorisation and resolved to retain an investment services provider to buy back Company shares within a limit of 10% of the share capital, net of treasury shares, and notably those acquired under the liquidity contract. The share buyback programme was therefore implemented on 1 August 2018 and ended on 20 December 2018.

Between 1 August and 20 December 2018, the Company acquired, under this buyback programme, 1,000,000 of its own shares (representing 1.96% of the share capital) at an average price of €103.60.

As announced in the press release of 27 December 2018, the shares bought back in this way were allocated to the following objectives:

1. reducing the share capital *via* the cancellation of treasury shares;
2. meeting the obligations in respect of marketable securities giving access to capital;
3. meeting the obligations arising from bonus share programmes for employees and/or corporate officers of the Company and/or its related companies.

This decision does not affect the performance of the liquidity contract entered into by the Company.

Details of the transactions carried out as part of the share buyback programme are available on the Company's website www.remy-cointreau.com under the heading "Finance/Regulatory information".

The Rémy Cointreau Combined Shareholders' Meeting of 24 July 2019, in its sixteenth resolution and subject to certain conditions, authorised the Board of Directors to buy or sell Company shares for a period expiring at the end of the Shareholders' Meeting held to approve the financial statements for the financial year ended 31 March 2020 and, at the very latest, within 18 months starting from 24 July 2019.

The Board of Directors did not use this authorisation in the 2019/2020 financial year, apart from under the liquidity contract signed with an investment services provider.

The renewal of this authorisation will be proposed at the next Annual Shareholders' Meeting.

INFORMATION ON TRANSACTIONS PERFORMED UNDER THE SHARE BUYBACK PROGRAMME VALID FROM 1 APRIL 2019 TO 31 MARCH 2020

Pursuant to Article L. 225-211 of the French Commercial Code, the purpose of this section is to inform the Shareholders' Meeting of the share purchases made between 1 April 2019 and 31 March 2020 as part of the share buyback programme authorised by the Shareholders' Meeting of 24 July 2019.

Between 1 April 2019 and 31 March 2020, the Company purchased 235,194 shares and sold 210,516 shares under the liquidity contract. During this same period, it transferred 66,700 shares to service bonus share grants for long-term performance incentive plans.

The table below summarises the purpose of the transactions carried out during the period 1 April 2019 to 31 March 2020:

		Average price
Percentage of the share capital held as treasury shares directly and indirectly at the start of the year	0.60%	
Number of securities **held** at the start of the financial year	300,066	
Number of securities **purchased** since the start of the financial year under the liquidity contract	235,194	€113.16
Number of securities **sold** since the start of the financial year under the liquidity contract	210,506	€114.98
Number of securities **transferred** since the start of the financial year:		
• grant of bonus shares	66,700	
Number of securities **cancelled** since the start of the financial year	-	
Number of shares **held on 31 March 2020**:		
• under the liquidity contract	30,581	
• for bonus share grants (reassignment of shares under the 2017/2018 share buyback programme)	69,485	
• under the share buyback programme of 24/07/2018	200,000	

BALANCE FOLLOWING THE SHARE BUYBACK PROGRAMME AUTHORISED BY THE COMBINED SHAREHOLDERS' MEETING OF 24 JULY 2019

		Average price
Percentage of share capital held as treasury shares directly and indirectly	0.67%	
Number of securities held at the start of the programme	338,216	
Number of securities **purchased** since the start of the programme under the liquidity contract	199,809	€108.55
Number of securities **sold** since the start of the programme as part of a liquidity contract	173,029	€110.00
Number of securities **transferred** since the start of the programme:		
• grant of bonus shares	66,700	
Number of securities **cancelled** since the start of the programme	-	
Number of shares **held** at 31 May 2020:		
• under the liquidity contract	28,161	
• for bonus share grants (reassignment of shares under the 2017/2018 share buyback programme)	69,485	
• under the share buyback programme of 24/08/2018	200,000	

BREAKDOWN OF EQUITY SECURITIES HELD, BY PURPOSE

At 31 March 2020, the Company held a total of 300,066 treasury shares.

Shares held by the Company are used to promote trading in the secondary market or to enhance the liquidity of the Rémy Cointreau share by an investment services provider, *via* a liquidity contract that complies with the Ethics Charter recognised by the French Financial Markets Authority (AMF). A total of 30,581 shares were held under the liquidity contract at 31 March 2020.

At 31 March 2020, the Company also held 200,000 treasury shares purchased under the share buyback programme implemented by the Board of Directors which was authorised by the Shareholders' Meeting of 24 July 2018 (including 125,000 shares allocated to the bonus share award and 75,000 shares allocated to the conversion of convertible bonds (Oceaness). And at the same date, 69,485 shares were held under the previous share buyback programme authorised by the Shareholders' Meeting of 25 July 2017 (all such shares were allocated to the bonus share award).

DESCRIPTION OF THE MAIN CHARACTERISTICS OF THE BUYBACK PROGRAMME SUBMITTED FOR APPROVAL AT THE SHAREHOLDERS' MEETING OF 23 JULY 2020 UNDER THE 19TH RESOLUTION

- Securities affected: shares issued by Rémy Cointreau.
- Maximum percentage that may be purchased by the Company: 10% of shares comprising the share capital on the date of the purchases.
- Maximum number of shares that may be purchased by the Company: 4,714,912 shares.
- Maximum unit price: €200, excluding purchase costs.
- Maximum amount that the Company would be liable to pay on this basis (excluding trading fees): €942,982,400.

Purpose:

- to ensure liquidity or promote trading in the secondary market in Rémy Cointreau shares *via* an independent investment services provider, under the terms of a liquidity agreement that complies with the market practices authorised by the French Financial Markets Authority (AMF);
- to cancel shares as part of a capital reduction, subject to the adoption of the twentieth resolution submitted to this Shareholders' Meeting;
- to deliver all or part of the shares acquired upon the exercise of the rights attached to marketable securities giving the right, by conversion, exercise, redemption or exchange or by any other manner, to the allocation of Company shares pursuant to applicable regulations;
- to use all or part of the shares acquired to implement any stock option or bonus share allocation plan to employees and/or corporate officers of the Company and/or companies related to it in accordance with the terms and conditions provided by law and carry out any transactions in order to provide the shares required under these plans, in accordance with the terms and conditions set by the law;
- to hold all or part of the shares acquired with a view to their subsequent exchange or use as payment in relation to acquisitions, contributions, mergers and share splits, in accordance with recognised market practices and pursuant to applicable regulations;
- and, more generally, carry out any other authorised transactions or transactions that should become authorised by the law or the AMF.

Term of the programme: a maximum of eighteen (18) months from the Combined Shareholders' Meeting of 23 July 2020.

7.1.5 Transactions carried out during the financial year

None.

7.1.6 Outstanding derivatives

None.

7.2 Shareholding and stock market information

7.2.1 Ownership of share capital and voting rights as at 31 March 2020

At 31 March 2020, the share capital amounted to €80,239,659.20, divided into 50,149,787 shares with a par value of €1.60 each.

In accordance with Article L. 233-13 of the French Commercial Code, it is specified that as of 31 March 2020:

- Orpar held more than one-third of the share capital and more than 45% of the voting rights of your company;
- Récopart held around 15% of the share capital and more than 18% of the voting rights of your company;
- Fine Champagne Investissements held more than 2% of the share capital and more than 2% of the voting rights;
- Andromède held more than 1% of the share capital and voting rights of your company.

See simplified shareholding structure at 31 March 2020 presented in the integrated report.

The employee savings plans represent less than 1% of the share capital of Rémy Cointreau. It is the only form of collective shareholding by Rémy Cointreau Group employees.

VOTING RIGHTS, NUMBER OF SHAREHOLDERS, INFORMATION ON SHAREHOLDERS HOLDING 1% OR MORE AND ON THE NATURE OF THEIR INVESTMENT, SHAREHOLDERS' AGREEMENT, CAPITAL HELD BY EMPLOYEES, TREASURY SHARES

	Position at 31/03/2020			Position at 31/03/2019			Position at 31/03/2018		
Shareholders	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights
Orpar	19,542,581	38.97	47.42	19,542,581	38.97	47.53	19,032,234	37.89	47.48
Récopart	7,479,831	14.91	18.40	7,479,831	14.91	18.84	7,359,727	14.65	19.02
Andromède	596,332	1.19	1.45	596,332	1.19	1.49	586,756	1.17	1.50
Sub-total family shareholders	**27,618,744**	**55.07**	**67.27**	**27,618,744**	**55.07**	**67.86**	**26,978,717**	**53.71**	**68**
Fine Champagne Investissements	1,135,631	2.26	2.78	1,135,631	2.26	2.84	1,117,396	2.22	2.86
Sub-total shareholders acting in concert	**28,754,375**	**57.33**	**70.05**	**28,754,375**	**57.33**	**70.7**	**28,096,113**	**55.93**	**70.86**
APG Asset Management NV(1)	3,508,025	7	4.40	3,508,025	7	4.50	3,508,025	6.98	4.60
LINDSELL TRAIN Ltd.(2)	3,025,898	6.03	3.78	2,540,398	5.07	3.26	-	-	-
BLACKROCK Inc.(3)	1,418,494	2.83	1.78	3,578,314	7.13	4.60	3,724,792	7.42	4.88
CDC Group(4)	1,161,293	2.32	1.46	-	-	-	-	-	-
Baillie Gifford(5)	1,033,108	2.06	1.30	-	-	-	-	-	-
Schroders(6)	714,845	1.42	0.92	714,845	1.42	0.92	714,845	1.42	0.94
AXA Investment Managers(7)	630,992	1	0.80	499,393	1	0.64	709,174	1.41	0.93
Columbia Threadneedle Investments(8)	584,484	1.16	0.73	-	-	-	-	-	-
Citigroup Global Markets Limited(9)	534,228	1.06	0.67	534,228	1.06	0.68	534,228	1.06	0.70
AMUNDI(10)	514,381	1.03	0.64	669,492	1.33	0.86	669,492	1.33	0.88
Fidelity Management & Research Company(11)	499,893	1	0.63	499,893	1	0.64	499,893	0.99	0.66
Rémy Cointreau (treasury shares)	300,066	0.60	0.00	342,088	0.68	0.00	220,297	0.44	0.00
Free Float	7,469,705	15.16	12.84	7,814,344	15.60	12.31	11,546,941	25.02	15.55
TOTAL	**50,149,787**	**100**	**100**	**50,149,787**	**100**	**100**	**50,223,800**	**100**	**100**

Based on the declaration of crossing thresholds provided by law or by the Articles of Association (1% of the share capital and voting rights).

(1) *Declaration of 30 March 2015.*
(2) *Declaration of 6 June 2019.*
(3) *Declaration of 18 March 2020.*
(4) *Declaration of 24 February 2020.*
(5) *Declaration of 19 March 2019.*
(6) *Declaration of 14 March 2016.*
(7) *Declaration of 5 February 2020.*
(8) *Declaration of 27 February 2020.*
(9) *Declaration of 27 March 2020.*
(10) *Declaration of 26 March 2020.*
(11) *Declaration of 6 May 2015.*

A number of shares possess double voting rights. A total of 29,865,958 shares had double voting rights at 31 March 2020. The main shareholders, Orpar and Récopart, hold such rights (*i.e.* 25,447,974).

At 31 March 2020, the Company held 300,066 treasury shares, 200,000 of which were purchased under the share buyback programme implemented by the Board of Directors which was authorised by the Shareholders' Meeting of 24 July 2018 (including 125,000 shares allocated to the bonus share award and 75,000 shares allocated to the conversion of convertible bonds (OCEANEs)). All shares acquired under the sale and repurchase contract signed on 24 March 2005 have been exercised to cover the share purchase options. 30,581 shares were held under the liquidity contract at 31 March 2020. And at the same date, 69,485 shares were held under the previous share buyback programme authorised by the Shareholders' Meeting of 25 July 2017 (all such shares were allocated to the bonus share award).

DECLARATIONS OF CROSSING OF THRESHOLDS AND/OR INTENTION

- Sale of 1,500,000 Rémy Cointreau shares (AMF decision no. 213C0550 of 14 May 2013)

  Andromède disclosed that, *via* the companies Orpar and Récopart which it controls, on 3 May 2013 it crossed the thresholds in the downward direction of two-thirds of the voting rights and 50% of the share capital of Rémy Cointreau, and that it held, both directly and indirectly, 25,314,615 Rémy Cointreau shares representing 49,604,552 voting rights or 49.72% of the share capital and 65.74% of the voting rights of the Company. On this occasion, Orpar had individually fallen below the threshold of 50% of the voting rights in Rémy Cointreau. The thresholds were crossed following the sale by Orpar of 1,500,000 Rémy Cointreau shares as part of a private placement *via* accelerated book-building.

- Shareholder agreement between Fine Champagne Investissements, Andromède, Orpar and Récopart (AMF decision no. 213C0586 of 23 May 2013). Fine Champagne Investissements (FCI) declared that it had exceeded, on 13 May 2013, along with Andromède, Orpar and Récopart, the thresholds of 5%, 10%, 15%, 20%, 25%, 30%, one-third of the share capital and 50% of voting rights of Rémy Cointreau and that it held, jointly, 25,385,619 Rémy Cointreau shares representing 49,675,982 voting rights, or 49.86% of the share capital, and 65.83% of voting rights of this company[(1)].

  The thresholds were crossed following the execution, on 13 May 2013, of a shareholders' agreement between the above-mentioned members acting in concert towards Rémy Cointreau[(2)].

  FCI also made a declaration of intention.

- Rémy Cointreau shares received by Andromède as a result of a merger-absorption (AMF decision no. 213C0862 of 8 July 2013)

  Andromède, acting in concert with Récopart, Orpar and Fine Champagne Investissements, disclosed that on 28 June 2013, it had exceeded the thresholds of 50% of the share capital and two-thirds of the voting rights in Rémy Cointreau and that it held, directly and indirectly, *via* the companies Orpar and Récopart which it controls, 25,942,283 Rémy Cointreau shares representing 50,389,513 voting rights or 50.96% of the share capital and 66.78% of the voting rights. The thresholds were crossed following Andromède's merger by absorption of four companies that are shareholders of Andromède and controlled by the Hériard Dubreuil family, as a result of which Andromède received 556,877 Rémy Cointreau shares representing 713,957 voting rights, resulting from the universal transfer of assets from the absorbed companies. This merger-absorption had no effect on the control of Andromède.

- Rémy Cointreau shares received by FCI after exercising a purchase option (AMF decision no. 213C1167 of 2 August 2013)

  The Group composed of the limited companies Andromède, Orpar and Récopart and the simplified limited company Fine Champagne Investissements (FCI) declared that on 31 July 2013, it had fallen below the threshold of two-thirds of voting rights in Rémy Cointreau and held 25,942,283 Rémy Cointreau shares representing 49,395,460 voting rights, or 50.96% of the share capital and 66.33% of the voting rights in the Company[(3)]. On this occasion, Andromède, through Orpar and Récopart, both companies it controls, indirectly fell below the thresholds of 50% of the share capital and two-thirds of the voting rights in Rémy Cointreau.

  The thresholds were crossed following the exercise, by FCI, of an undertaking to purchase 201,533 Orpar shares it held, which Orpar paid for by remittance to FCI of 994,053 shares in Rémy Cointreau, resulting in the loss of double voting rights attached to the aforementioned Rémy Cointreau shares.

- Cancellation of 1,150,000 Rémy Cointreau treasury shares (AMF decision no. 213C1783 of 22 November 2013)

  The Group composed of the limited companies Andromède, Orpar and Récopart and the simplified limited company Fine Champagne Investissements (FCI)[(4)] declared that on 19 November 2013, it had exceeded the threshold of two-thirds of voting rights in Rémy Cointreau and held 25,942,283 Rémy Cointreau shares representing 49,587,459 voting rights, *i.e.* 52.13% of the share capital and 67.46% of the voting rights in the Company. This threshold was crossed due to a reduction in the total number of shares and voting rights in Rémy Cointreau resulting from the cancellation of 1,150,000 Rémy Cointreau shares.

- Cancellation of 1,283,053 Rémy Cointreau treasury shares (AMF decision no. 214C0472 of 28 March 2014)

The limited company Andromède declared that on 25 March 2014, it had exceeded, directly and indirectly, through the companies Orpar and Récopart which it controls, the thresholds of two-thirds of voting rights and 50% of the capital of Rémy Cointreau and that it held, directly and indirectly, 24,877,226 shares representing 48,522,402 voting rights, or 51.32% of the capital and 67.14% of the voting rights in the Company.

This threshold was crossed due to a reduction in the total number of shares and voting rights in Rémy Cointreau resulting from the cancellation of 1,283,053 Rémy Cointreau shares.

The Group composed of the limited companies Andromède, Orpar and Récopart and simplified limited company Fine Champagne Investissements (FCI) has not crossed any threshold and at 25 March 2014, held 25,942,283 Rémy Cointreau shares representing 49,587,459 voting rights, or 53.51% of the capital and 68.79% of the voting rights in the Company.

(1) *On the basis of share capital consisting of 50,909,912 shares representing 75,460,124 voting rights, pursuant to the 2nd subparagraph of Article 223-11 of the General Regulation.*

(2) *Note that the shareholders' agreement referred to above is included under D&N 213C0515 of 2 May 2013, the provisions of which are set out below.*

(3) *On the basis of share capital consisting of 50,909,912 shares representing 74,466,099 voting rights, pursuant to the 2nd subparagraph of Article 223-11 of the General Regulation.*

(4) *Simplified limited company (based at Maison des Viticulteurs, 25, rue de Cagouillet, 16100 Cognac) owned by the Alliance Fine Champagne (AFC) cooperative, a structure resulting from the merger of the Champaco and Prochacoop cooperatives.*

Exemption from the obligation to file a draft public offering (AMF decision no. 215C0387 of 1 April 2015)

In its meeting of 31 March 2015, the French Financial Markets Authority (Autorité des marchés financiers) examined a request for exemptions to the obligation to file a draft public takeover offer on the shares of Rémy Cointreau, as part of the successive acquisitions of Rémy Cointreau shares by Orpar.

Through the cumulative effect of (i) the cancellation of 1,283,053 Rémy Cointreau shares which took place on 25 March 2014, (ii) the payment of part of the dividend for the 2013/2014 financial year in Rémy Cointreau shares, and (iii) the acquisition, on 10 March 2015, by Orpar, of 174,000 Rémy Cointreau shares, the aforementioned members declared that they held, at 10 March 2015, 26,280,396 shares representing 49,921,377 voting rights, *i.e.* 53.95% of the capital and 68.90% of the voting rights in the Company.

Orpar thus increased its individual stake in the capital and voting rights, initially comprising 30% to 50%, by more than 1% over less than 12 consecutive months, placing itself under the obligation to file a public takeover offer on all of the capital of Rémy Cointreau, in accordance with Article 234-5 of the General Regulation.

Furthermore, Orpar issued, on 3 February 2015, zero coupon bonds exchangeable for existing Rémy Cointreau shares for a nominal amount of €170 million. The bonds listed in Luxemburg were redeemed on 15 July 2019 with a premium of 102.3% on the initial price. According to the terms of the prospectus, Orpar will use around 80% of the proceeds of the transaction to buy back existing Rémy Cointreau shares.

Thus Orpar could increase its individual stake in the capital and voting rights, initially comprising 30% to 50%, by more than 1% over less than 12 consecutive months again placing it under the obligation to file a public takeover offer on all of the capital of Rémy Cointreau, in accordance with Article 234-5 of the General Regulation.

In this context, Orpar requested exemptions from the French Financial Markets Authority from the obligation to file a public takeover offer on the Rémy Cointreau shares for each of the two aforementioned events causing the offer on the basis of Article 234-9, 6° of the General Regulation.

Considering that, prior to the aforementioned transactions, the members held a majority of the Rémy Cointreau voting rights, the French Financial Markets Authority granted the requested exemptions on the aforementioned regulatory basis.

As a result of these exemptions, Orpar continued its purchases until 31 October 2015, without acceleration limit, as part of its commitment to allocate around 80% of the proceeds of the exchangeable issue to purchase existing Rémy Cointreau shares. Under the exemptions granted, Orpar acquired 802,400 Rémy Cointreau shares.

Information consecutive to an exemption from the obligation to file a draft public offering (AMF decision no. 215C1626 of 6 November 2015)

Pursuant to Article 234-5 of the General Regulation, the *Société anonyme* (French limited liability company) Orpar notified the French Financial Markets Authority, that it held, at 31 October 2015, following acquisitions of Rémy Cointreau shares on the market under the aforementioned exemptions, 18,258,061 Rémy Cointreau shares representing 34,798,204 voting rights, or 37.46% of the share capital, and 47.93% of the Company's voting rights.

On this occasion, the Group composed of the *Société anonyme* (French limited liability company) Orpar and the simplified limited companies Andromède, Récopart and Fine Champagne Investissements (FCI) declared that it held, on 31 October 2015, 27,082,796 Rémy Cointreau shares representing 50,730,752 voting rights, or 55.57% of the share capital, and 69.88% of this company's voting rights.

It should be noted that on 20 June 2017, Orpar renegotiated the conditions of the 2015 exchangeable bond both in relation to its term and its amount. In this regard, Orpar issued bonds exchangeable for existing Rémy Cointreau zero coupon shares for a nominal amount of €200 million while buying back all of the bonds issued in 2015. The bonds, listed in Luxembourg, will be redeemed on 20 June 2024 with a premium of 101.7% on the initial price.

The terms of the prospectus are unchanged compared with 2015.

SHAREHOLDER AGREEMENTS AND CONCERT ACTION BETWEEN THE PARTIES

The Company is aware of the existence of the following concert parties and shareholder agreements:

Between Orpar and the shareholders of Récopart:

- under a Memorandum of Understanding signed on 21 and 22 July 2010, on 22 July 2010 Orpar acquired 721,995 Récopart shares, including 421,995 outright and 300,000 in bare ownership from Mr Pierre Cointreau and his children, thereby increasing its investment to 61.02% of the share capital and 61.02% of the voting rights in Récopart;
- prior to this transaction, Orpar and Récopart were granted an exemption from the requirement to make a public takeover offer under Article 234-9-6 of the General Regulation set out in Decision and Notification 210C0520 published on the website of the AMF on 14 June 2010. The declaration of crossing of thresholds following this exemption was made by letter of 23 July 2010 and published on the website of the AMF in Decision and Notification 210C0694.

On that date, Récopart held 6,937,889 shares and 13,229,478 voting rights in Rémy Cointreau, *i.e.* 14.30% of the share capital and 17.08% of the voting rights in Rémy Cointreau. On that date, Orpar held 20,901,034 shares and 40,732,231 Rémy Cointreau voting rights, *i.e.* 43.09% of the share capital and 52.59% of the Rémy Cointreau voting rights. As a result, following this acquisition, Orpar directly or indirectly held a total of 27,838,923 shares and 53,961,709 voting rights in Rémy Cointreau, *i.e.* 57.39% of the share capital and 69.67% of the voting rights in Rémy Cointreau, and had thus indirectly exceeded the threshold of 50% of the share capital and 66.67% of the voting rights in Rémy Cointreau.

In application of the Memorandum of Understanding and as part of the implementation of the acquisition, Orpar and Mr Pierre Cointreau and his family entered into the following agreements to govern their relationship within Récopart:

- an undertaking to purchase was granted on 21 and 22 July 2010 by Orpar to the Cointreau family, in relation to the remaining Récopart shares held by the Cointreau family. The undertaking to purchase reflects Orpar's commitment to acquire, from members of the Cointreau family and at their request, a maximum of 1,867,068 Récopart shares;
- an undertaking to sell was granted on 21 and 22 July 2010 by the Cointreau family to Orpar, in relation to the remaining Récopart shares held by the Cointreau family. The undertaking to sell reflects the commitment of the members of the Cointreau family to sell to Orpar, at the latter's request, a maximum of 1,867,068 Récopart shares.

The heirs of Mr and Ms Pierre Cointreau may exercise the aforementioned promises in one or more brackets, as of the expiry date of the commitments arising from the Dutreil agreement, given that the number of brackets will vary according to the date on which the commitments under the Dutreil agreement expire;

- a shareholders' agreement was concluded on 21 and 22 July 2010. This agreement was entered into for a period of 20 years from the date of its signature. The agreement specified that Récopart, in order to streamline the Company's structure, would be turned into a simplified limited company (SAS) and that the Company Articles of Association would be redrafted accordingly, which was done in July 2011. The agreement also specified the annual dividend distribution policy.

Orpar also benefits from a preferential subscription right on any share transfer, except for certain types of so-called free transfers, it being specified that the preferential subscription right became automatically applicable from the date Récopart was turned into a simplified limited company and the corresponding amending of its Articles of Association.

Lastly, the agreement specifies that in the event Orpar were to receive a bid from a third-party buyer for at least 51% of Récopart shares, which it would be prepared to accept, that all shareholders would be compelled to dispose of their shares jointly with Orpar, on the terms and conditions specified in the agreement.

During the second half of the 2019/2020 financial year, Orpar acquired part of the Récopart shares held by an heir of Mr and Mrs Pierre Cointreau, *i.e.* 4,804 ordinary shares.

Orpar's holding in Récopart is 69.85%.

Between Andromède, Orpar and Fine Champagne Investissements (FCI):

Andromède, FCI and Orpar entered into a shareholder agreement on 2 April 2020 between Fine Champagne Investissements[1] (FCI), Andromède (a simplified limited liability company)[2] and Orpar (a *Société anonyme* (French limited liability company))[3], the main clauses of which were published in accordance with Article L. 233-11 of the French Commercial Code *via* AMF decision no. 220C1337 of 22 April 2020. This new shareholders' agreement involving Rémy Cointreau replaces the shareholders' agreement[4] which had been entered into between the same parties on 3 April 2013 and expired on 4 April 2020.

The main clauses of the new shareholders' agreement, which provides for concert action[5] between the parties towards Rémy Cointreau are as follows:

- **governance:** Orpar and FCI will meet in reasonable time before any Shareholders' Meeting of Rémy Cointreau to examine the draft resolutions submitted to the meeting and agree on a common position. In any event, FCI agrees to attend the meeting in question or give proxy to Orpar and combine its votes with those of Orpar and vote as previously indicated to Orpar;
- **pre-emption right**: Orpar will benefit from a pre-emptive right on the Rémy Cointreau shares held by FCI in exchange for cash compensation, it being specified that the acquisition would be carried out under the same conditions as those of the proposed transferee. In the event of a public takeover offer on Rémy Cointreau securities, FCI must inform Orpar, in writing, of its intention to contribute Rémy Cointreau shares to the offer. Accordingly, Orpar may exercise its pre-emptive right at the public takeover offer price, it being specified that in the event of a public exchange offer, the price will be determined based on the average Rémy Cointreau share price, weighted by trading volumes, during the last 10 trading days prior to the close of the offer;
- **ceiling:** FCI agrees that it will not increase its holding in Rémy Cointreau without Orpar's consent and that it will not enter into an agreement or, more broadly act in concert with a third party towards Rémy Cointreau as these stipulations do not constitute an obstacle for FCI to purchase double voting rights resulting from the continuous holding of Rémy Cointreau shares;
- **duration:** the agreement is valid for seven years, *i.e.* until 2 April 2027, it being specified that, in the event that Orpar or FCI carries out an act forcing the launch of a public takeover offer on Rémy Cointreau securities, the concert action[5] linking them will immediately end and will automatically become null and void.

(1) Simplified limited company owned by the Alliance Fine Champagne (AFC) cooperative, a structure resulting from the merger of the Champaco and Prochacoop cooperatives.

(2) Controlled by the Hériard Dubreuil family.

(3) Controlled by Andromède SAS.

(4) See D&I 213C0515 of 2 May 2013.

(5) In decision No. 213C0515 of 2 May 2013, the AMF examined the consequences of the concert party between Fine Champagne Investissements (FCI) and Andromède, Orpar and Récopart and granted an exemption from the requirement to make a public takeover offer under Article 234-1, 1° of the AMF General Regulation.

COLLECTIVE RÉMY COINTREAU SHARE LOCK-UP AGREEMENTS WITHIN THE FRAMEWORK OF ARTICLE 787 B I BIS OF THE FRENCH GENERAL TAX CODE

During the 2017/2018 financial year, on 30 January 2018, Orpar, Récopart, and Récopart shareholders, and Marc Hériard Dubreuil, in his capacity as Chairman of the Board of Directors, entered into a collective lock-up agreement within the framework of the provisions of Article 787 B I *bis* of the French General Tax Code and in the context of the Dutreil law for a term of two years. The Rémy Cointreau shares that are covered by the agreement represent 10,800,000 shares or 21.45% of the share capital and voting rights as at 30 January 2018.

During the 2019/2020 financial year, Orpar, Récopart, two heirs of Mr and Mrs Pierre Cointreau, Récopart shareholders, Mr Marc Hériard Dubreuil, in his capacity as Chairman of the Board of Directors of Rémy Cointreau, entered into a collective lock-up agreement on 19 February 2020 within the framework of the provisions of Article 787 B of the French General Tax Code and in the context of the Dutreil law, for a term of two years. The Rémy Cointreau shares that are covered by the agreement represent 10,920,086 shares or 21.77% of the share capital and 36.13% of the voting rights as at 31 January 2020.

7.2.2 Changes to the breakdown of he share capital over the last three years

During the 2017/2018 financial year, the exercising of the 2016/2017 dividend option in cash or shares resulted in the issue of 635,254 shares corresponding to a capital increase of €1,016,406.40 bringing the capital to €80,523,900.80. A reduction in the share capital was then carried out through the cancellation of treasury shares as part of the share buyback programme – implemented on 1 August 2017 and concluded on 29 December 2017 – corresponding to 103,638 shares out of the 273,009 shares acquired in this context and corresponding to a reduction in the nominal share capital of €165,820.80 thus taking the capital to €80,358,080. On the year-end date, Orpar held over one-third of the share capital and over 45% of the voting rights. Récopart held more than 10% of the share capital and more than 15% of the voting rights.

During the 2018/2019 financial year, the exercising of the 2017/2018 dividend option in cash or shares resulted in the issue of 725,987 shares corresponding to a capital increase of €1,161,579.20 bringing the capital to €81,519,659.20. A reduction in the share capital was then carried out through the cancellation of treasury shares as part of the share buyback programme – implemented on 1 August 2018 and concluded on 20 December 2018 – corresponding to 800,000 shares out of the 1,000,000 shares acquired in this context and corresponding to a reduction in the nominal share capital of €1,280,000 thus taking the capital to €80,239,659.20. On the year-end date, Orpar held over one-third of the share capital and over 45% of the voting rights. Récopart held around 15% of the share capital and more than 18% of the voting rights.

During the 2019/2020 financial year there was no option to receive payment of the 2017/2018 dividend in shares. The entire dividend was paid in cash. This had no impact on the change in share capital. On the year-end date, Orpar held over one-third of the share capital and over 45% of the voting rights. Récopart held around 15% of the share capital and more than 18% of the voting rights.

7.2.3 Persons controlling the Company and details of their shareholdings

At 31 March 2020, Orpar was 100% controlled by Andromède, which is controlled by the Hériard Dubreuil family.

At 31 March 2020, Andromède held 596,332 shares, or 1.19% of the share capital, corresponding to 1,159,220 voting rights, or 1.45% of the voting rights. At the same date, Orpar held 19,542,581 Rémy Cointreau shares, or 38.97% of the share capital, corresponding to 37,800,652 voting rights, or 47.42% of the voting rights. Orpar held, directly and indirectly, shares held by Récopart, or a total of 53.88% of the share capital and 65.82% of the voting rights in Rémy Cointreau. Together Andromède, Orpar and Récopart held 55.07% of the share capital and 67.27% of the voting rights in Rémy Cointreau.

Pursuant to European regulation No. 809/2004 of 29 April 2004, established pursuant to the “Prospectus” directive, Rémy Cointreau ensures that the control of the Company is not currently and will not ever be abused, by adopting corporate governance measures.

The Company refers to the recommendations of the Corporate Governance Code for Listed Companies published in June 2013 most recently revised in January 2020 by the AFEP/MEDEF and the guidelines for applying this Code by the Corporate Governance High Commission in January 2019. In particular, the Board of Directors is organised in order to achieve a balance between experience, skills, independence and ethical behaviour, while respecting in overall terms the balanced representation of women and men on the Board of Directors.

7.2.4 Financial communication and stock market information

Shares in Rémy Cointreau are listed on the Euronext Paris regulated market (ISIN code FR0000130395). Rémy Cointreau is included in the French SBF 120 index and the European EuroStoxx 600 index.

At 31 March 2020, Rémy Cointreau had a market capitalisation of €4.997 billion.

On 1 April 2015, Rémy Cointreau entrusted a financial institution with the implementation of a liquidity contract that conforms to the AMAFI Ethics Charter recognised by the AMF.

SHAREHOLDER AND INVESTOR RELATIONS

All shareholders are given full, clear and transparent information which is tailored to their specific needs. A wide variety of documents made available to the public, including regulated information, covers all of the Company's business activities, its strategy and financial information, including press releases, the Universal Registration Document, interim financial reports and the company's Articles of Association. The group also set up a mini website called "e-IR" specifically intended for investors. This enables them to learn more about the Group from a strategic and financial point of view.

All such documents and the "e-IR" site are easy to access or obtain from the Group website www.remy-cointreau.com, in the "Finance" section and on request from the Rémy Cointreau Investor Relations department.

In addition, many meetings took place in 2019/2020 between the Group and institutional investors and analysts. These took the form of conference calls organised as part of quarterly, interim and annual publications and also roadshows, conferences and individual meetings.

Lastly, Rémy Cointreau organized two individual shareholder meetings during the 2019/2020 fiscal year: a masterclass on the Rémy Martin cognac held in the Group's office in Paris and a tour of the Maison Cointreau in Angers.

DOCUMENTS ON DISPLAY

The historical information, Universal Registration Documents (registration document), Shareholders' Meeting documents (Notice of meeting, Minutes), Articles of Association of the Company, and items constituting "regulated information" within the meaning of Article 221-1 of the AMF General Regulation (including press releases, quarterly information and the Annual and interim reports) may be consulted on the website www.remy-cointreau.com in French and in English and, if necessary, at the Company's registered office.

NUMBER OF SHARES TRADED ON EURONEXT PARIS AND CHANGE IN SHARE PRICE OVER 30 MONTHS

	Number of shares traded	Average price *(in €)*	High *(in €)*	Low *(in €)*	Trading volumes *(in € million)*
2017					
December	1,679,334	115.54	119.80	107.90	193.26
2018					
January	2,303,969	110.14	116.60	102.90	252.79
February	2,084,901	106.90	113.20	99.05	222.32
March	1,431,904	112.59	116.20	108.00	160.92
April	1,661,490	115.02	120.80	111.30	191.25
May	1,316,922	121.10	129.70	114.00	160.91
June	2,535,700	121.28	131.30	111.00	305.63
July	2,051,989	115.44	121.50	110.20	237.18
August	1,299,077	121.46	125.30	116.80	157.93
September	1,838,238	114.88	121.80	108.90	210.63
October	3,096,922	105.61	117.30	98.60	325.99
November	2,730,651	105.13	110.60	100.20	286.31
December	2,141,380	100.83	105.70	96.15	217.15
2019					
January	2,258,821	100.03	105.00	94.15	225.94
February	1,633,308	110.58	115.20	101.30	179.71
March	1,653,962	117.06	120.20	114.40	193.19
April	1,377,494	118.79	122.00	116.20	163.68
May	1,443,619	119.36	124.60	115.50	172.55
June	2,652,635	120.42	127.30	112.90	318.2
July	1,853,986	130.05	135.00	124.70	240.3
August	1,702,690	131.09	138.10	125.00	222.8
September	2,276,250	130.38	142.90	118.80	293.9
October	2,307,852	121.90	127.90	115.60	282.3
November	2,026,865	120.35	124.80	113.30	242.5
December	1,998,831	112.30	117.30	107.50	223.9

	Number of shares traded	Average price *(in €)*	High *(in €)*	Low *(in €)*	Trading volumes *(in € million)*
2020					
January	2,482,844	108.08	118.10	93.70	260.7
February	3,089,957	99.12	104.80	89.90	302.4
March	4,817,060	94.51	106.60	79.20	453.0
April	1,113,751	100.98	104.80	95.35	112.3
May	1,426,371	102.94	112.40	98.25	147.9

7.3 Items liable to have an impact in the event of a public takeover offer

In compliance with Article L. 225-100-3 of the French Commercial Code, we notify you of the factors liable to have an impact in the event of a public takeover offer:

- the structure of the Company's share capital is disclosed in section 7.2 of this report and refers to concert parties and to shareholder agreements that had been brought to the Company's attention at the time of writing;
- the direct or indirect investments known to the Company are described in section 7.2 of this document;
- with the exception of the double voting rights allocated, pursuant to Article 23.2 of the Articles of Association, to fully paid-up shares which have been held in registered form for at least four years in the name of the same shareholder, no shares carry specific privileges;
- there is no restriction in the Articles of Association on the exercise of voting rights, except for failure to comply with the provisions in respect of crossing the statutory threshold of 1% of the share capital or voting rights or any multiple of this percentage, under the terms provided for by Article 8.2 of the Articles of Association; there are no restrictions on share transfers in the Articles of Association;
- the rules governing the appointment and dismissal of members of the Board of Directors are those of the prevailing laws and the Articles of Association;
- amendments to the Company's Articles of Association are made in accordance with the prevailing laws and regulations;
- the Company and some of its subsidiaries have entered into agreements containing a clause offering the co-contracting parties the option of terminating those agreements in the event of a change of control of the Company, mainly under distribution agreements with third parties and the bonds of €80 million dated February 2015 and €275 million dated September 2016 described in note **12.6** to the consolidated financial statements in sections 5.6 and 6.5 (Note **8**) of this document;
- severance and non-compete compensations and the defined-benefit and defined-contribution pension commitments granted to Éric Vallat, Chief Executive Officer, can be found in section 3.5 of this document.

The various delegations and authorisations granted to the Board of Directors by the Shareholders' Meeting, notably concerning the issue and repurchase of shares, are disclosed in section 7.1.3 of this document.


10.3
EDITION: 10.3
AGED: 6 YEARS
PPM: 114
Ochdamh-mòr
OCTOMORE
10.3 διάλογος
ISLAY BARLEY
BRUICHLADDICH
PROGRESSIVE HEBRIDEAN
DISTILLERS
61.3% vo
61.3% al
750 mL
ADAM HANNETT
HEAD DISTILLER
750 mL

8

COMBINED SHAREHOLDERS' MEETING OF 23 JULY 2020

8.1 Explanatory statement and draft resolutions

Ordinary business

FIRST, SECOND AND THIRD RESOLUTIONS

Approval of the Company and consolidated financial statements and appropriation of earnings

EXPLANATORY STATEMENT

The first two resolutions concern the approval of the Company and consolidated financial statements for the financial year ended 31 March 2020.

The Company financial statements show a profit of €125,693,495.97.

The consolidated financial statements show a net profit attributable to the owners of the parent of €113,352,308.

It is stated, in accordance with Article 223 *quater* of the French General Tax Code, that no expenditure or expenses referred to in Article 39 paragraph 4 of the French General Tax Code were incurred during the financial year ended 31 March 2020.

FIRST RESOLUTION

(Approval of the Company financial statements for the 2019/2020 financial year)

The Shareholders' Meeting, deliberating under the *quorum* and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report for the financial year ended 31 March 2020 and the Statutory Auditors' report on the Company financial statements, approves the Company financial statements for the financial year ended 31 March 2020, which comprise the statement of financial position, the income statement and the notes, as presented, showing a profit of €125,693,495.97, together with all the transactions reflected in the aforementioned financial statements or summarised in these reports.

In accordance with the provisions of Article 223 *quater* of the French General Tax Code, the Shareholders' Meeting notes that no expenditure or expenses referred to in Article 39-4 of said Code were incurred during the financial year ended 31 March 2020.

SECOND RESOLUTION

(Approval of the consolidated financial statements for the 2019/2020 financial year)

The Shareholders' Meeting, deliberating under the *quorum* and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' report on the consolidated financial statements, approves the consolidated financial statements for the financial year ended 31 March 2020, which comprise the statement of financial position, the income statement and the notes, as presented, showing a net profit attributable to the owners of the parent of €113,352,308, together with all the transactions reflected in the aforementioned financial statements or summarised in these reports.

EXPLANATORY STATEMENT

The third resolution concerns the appropriation of Company earnings for the financial year ended 31 March 2020 and the payment of the dividend.

The Board of Directors asks that you approve the appropriation of distributable earnings for the financial year ended 31 March 2020 as follows:

• profit for the financial year as at 31 March 2020:	€125,693,495.97
• retained earnings:	€60,924,930.67
• allocation to the legal reserve:	€0.00
• total distributable amount:	€186,618,426.64
• ordinary dividend of €1 per share:	€50,149,787.00
• retained earnings:	€136,468,639.64

In the context of the coronavirus crisis and the responsible and civic-minded solidarity measures announced on 16 April 2020, the Board of Directors proposes to set the amount of the dividend to be distributed to each of the Company's shares with dividend rights in respect of the financial year ended 31 March 2020 at €1, *i.e.* a total of €50,149,787 based on 50,149,787 shares comprising the share capital at 31 March 2020. This is a substantial reduction compared with the €2.65 paid last year (which included an exceptional dividend of €1).

The ex-dividend date would be 28 July 2020 and the dividend would be paid as of 1 October 2020.

THIRD RESOLUTION

(Appropriation of income and setting of the dividend)

The Shareholders' Meeting, deliberating under the *quorum* and majority requirements of Ordinary Shareholders' Meetings, on the proposal of the Board of Directors, hereby approves the appropriation of the distributable income for the financial year ended 31 March 2020 as follows:

• profit for the financial year as at 31 March 2020:	€125,693,495.97
• retained earnings:	€60,924,930.67
• allocation to the legal reserve:	€0.00
• total distributable amount:	€186,618,426.64
• ordinary dividend of €1 per share:	€50,149,787.00
• retained earnings:	€136,468,639.64

A dividend of €1 per share will be distributed for each Company share giving the right to a dividend.

The total dividend of €50,149,787.00 was determined on the basis of the 50,149,787 shares making up the share capital at 31 March 2020. The ex-dividend date will be 28 July 2020 and the dividend will be paid as of 1 October 2020.

In the event that the Company holds any of its own shares when the dividend becomes payable, the amount corresponding to the dividend not distributed as a result of that holding shall be allocated to "Retained earnings".

It is specified that, as the law currently stands, for natural persons who have their tax residence in France, the dividend is subject to a single flat-rate withholding tax ("PFU") of 12.8% or, if the beneficiary has expressly and irrevocably so opted, to the income tax applicable to his/her entire income, net gains, profits and receivables falling under the field of application of the single flat-rate withholding taxation in accordance with the progressive income tax system. The dividend is eligible for the 40% rebate benefiting individuals domiciled in France for tax purposes as provided for in paragraph 2 of Article 158-3 of the French General Tax Code. However this now applies only to taxpayers who opt for taxation in accordance with the progressive income tax system.

In accordance with the law, we hereby advise you that the amount of net dividends paid in respect of the past three financial years, and the amount of the dividend payment eligible for the aforementioned tax allowance for individual shareholders who are tax residents of France, were as follows:

Financial years	2016/2017	2017/2018	2018/2019
Net dividend per share	€1.65	€1.65	€2.65[(1)]
Dividend paid eligible for the 40% rebate	€1.65	€1.65	€2.65[(1)]

(1) *Of which an extraordinary dividend of €1.*

FOURTH RESOLUTION

Share-based payment option for the dividend

EXPLANATORY STATEMENT

Pursuant to the provisions of Articles L. 232-18 to L. 232-20 of the French Commercial Code, the purpose of the fourth resolution is to give each shareholder the option to receive the payment in full of the distributed dividend either in cash or in shares.

The issue price of the new shares subject to this option will equate to 90% of the average quoted share price over the 20 trading days preceding the Shareholders' Meeting of 23 July 2020, less the net dividend, in accordance with Article L. 232-19 of the French Commercial Code. The Board of Directors will have the option of rounding up the price thus determined to the nearest whole cent.

Shareholders may opt either for payment of the entire dividend in shares or the entire dividend in cash. Shareholders who opt for payment of the dividend in shares must request this from their financial intermediary between 30 July 2020 and 18 September 2020 by 5.00pm at the latest.

As announced on 16 April 2020, the majority shareholder will opt for full payment in shares.

After said period, the entire dividend shall automatically be paid in cash.

If the amount of dividends on which the option is exercised does not correspond to a whole number of shares, shareholders may subscribe either for the next lowest number of shares and receive a cash payment for the balance, or the next highest number of shares and pay the extra in cash.

The new shares shall be subject to all provisions of law and the Articles of Association and shall be eligible for dividends from 1 April 2020, the start of the current financial year.

FOURTH RESOLUTION

(Share-based payment option for the dividend)

The Shareholders' Meeting, deliberating under the *quorum* and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report and pursuant to the provisions of Articles L. 232-18 to L. 232-20 of the French Commercial Code and Article 27 of the Articles of Association, resolves to give each shareholder the option to receive the payment in full of the dividend he/she is entitled to either in cash or in shares.

Shareholders may opt for either payment method, although this option will apply in the same way to all shares held.

The issue price of the new shares subject to this option will equate to 90% of the average quoted share price over the 20 trading days preceding the date of this Shareholders' Meeting, less the net dividend, in accordance with Article L. 232-19 of the French Commercial Code. The Board of Directors will have the option of rounding up the price thus determined to the nearest whole cent.

Shareholders who opt for payment of the dividend in shares must request this from their financial intermediary between 30 July 2020 and 18 September 2020 by 5.00pm at the latest. Consequently, any shareholder who has not exercised this option at the end of this period will receive the entire dividend in cash.

If the option to receive payment in shares is not taken up, the dividend will be paid in cash as of 1 October 2020.

If the amount of dividends on which the option is exercised does not correspond to a whole number of shares, shareholders may subscribe either for the next lowest number of shares and receive a cash payment for the balance, or the next highest number of shares and pay the extra in cash.

The new shares shall be subject to all provisions of law and the Articles of Association and shall be eligible for dividends from 1 April 2020, the start of the current financial year.

The Shareholders' Meeting, in accordance with Article L. 232-20 of the French Commercial Code, grants all powers to the Board of Directors for the purpose of taking the necessary measures to carry out this share-based dividend payment and, in particular, set the issue price of the shares to be issued under the terms and conditions described above, record the number of shares issued and the resulting capital increase, amend the Company's Articles of Association accordingly, take all necessary measures to ensure the successful outcome of the transaction and, more generally do all that is useful or necessary.

FIFTH RESOLUTION

Agreements covered by Article L. 225-38 *et seq.* of the French Commercial Code

EXPLANATORY STATEMENT

The fifth resolution concerns the regulated agreements and commitments authorised and entered into during previous financial years and whose performance continued in the 2019/2020 financial year. These agreements and commitments were once again examined by the Board of Directors at its meeting of 3 June 2020, in accordance with Article L. 225-40-1 of the French Commercial Code and reported to the Statutory Auditors for inclusion in their special report.

This special report is reproduced in section 8.4 of this 2019/2020 Universal Registration Document.

Please note that, in accordance with current legislation, regulated agreements already approved by the Shareholders' Meeting in previous financial years and which remain in force are not put to the vote at subsequent Shareholders' Meetings.

Ruling on the Statutory Auditors' special report, the shareholders are asked to approve this report and to duly note the information in connection with regulated agreements and commitments authorised and entered into during previous financial years and whose performance continued in the 2019/2020 financial year.

FIFTH RESOLUTION

(Agreements covered by Article L. 225-38 *et seq.* of the French Commercial Code authorised in previous financial years and that remained in force during the 2019/2020 financial year)

The Shareholders' Meeting, deliberating under the *quorum* and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the special report of the Statutory Auditors on the regulated agreements and commitments covered by Articles L. 225-38 *et seq.* of the French Commercial Code, deliberating on the special report of the Statutory Auditors, takes note of the information relating to the agreements and commitments entered into and authorised in previous financial years and that remained in force in the past financial year and are mentioned therein and were reviewed by the Board of Directors at its meeting on 3 June 2020 in accordance with Article L. 225-40-1 of the French Commercial Code.

SIXTH RESOLUTION

Approval of the related party commitments made by the Company for the benefit of Mr Éric Vallat, Chief Executive Officer

EXPLANATORY STATEMENT

At the time of the appointment of Mr Éric Vallat as Chief Executive Officer, in accordance with Article L. 225-42-1 of the French Commercial Code, the commitments made by the Company for the benefit of the Chief Executive Officer and corresponding to remuneration, allowances or benefits due or liable to be due upon the termination or change of these functions, must be put to the vote at the Shareholders' Meeting.

Commitments in connection with termination and defined-benefit pension scheme payments are prohibited if these are not subject to compliance with the performance conditions of the beneficiary compared to those of the Company of which, in the case of Rémy Cointreau, he is Chief Executive Officer.

It is specified that Order no. 2019-1234 of 27 November 2019 on the remuneration of corporate officers of listed companies cancels Articles L. 225-42-1 and L. 225-90-1 of the French Commercial Code, which submits payments due upon termination of the separate roles of Chairman and executive corporate officers to the provisions applicable to related party agreements and performance conditions.

However, pursuant to the approval by the Board of Directors of the commitments made for the benefit of Mr Éric Vallat upon termination of his position prior to the implementation of the order, your meeting is asked to vote on these commitments.

The Board of Directors, at its meeting of 26 November 2019, thereby resolved, on the recommendation of the Nomination and Remuneration Committee, to approve the following related party commitments for the benefit of Mr Éric Vallat: "termination payment", "non-compete payment", "defined-contribution and defined-benefit pension plans and death, incapacity, disability and health insurance commitments".

These are submitted for your approval under the sixth resolution, in accordance with the following provisions:

Termination payment

The Chief Executive Officer receives a termination payment equivalent to twenty-four months' remuneration (including fixed salary and annual bonus) prior to the date of the revocation or non-renewal of the corporate office.

The termination payment will only be made in the event of forced departure. It will not be due where there are serious grounds or misconduct or in the event of business failure.

In the event of business failure, the Board of Directors may be fully or partially exempt from paying the termination benefit. The business situation will be assessed based on the results measured at the end of the previous two financial years. The business is deemed to have failed if the aggregate operating profit for the previous two financial years is less than €250 million.

Actual payment of this benefit is subject to the performance criteria defined below.

<u>Quantitative performance criteria</u>

If the quantitative results, validated by the Board of Directors and serving as a basis for the calculation of the bonus of Executive Committee members, are less than 75% of the budgetary targets, no compensation will be payable.

If the quantitative results, validated by the Board of Directors and serving as a basis for the calculation of the bonus of Executive Committee members, equal 75% or more of the budgetary targets, the compensation paid will be equivalent to 24 months' gross remuneration multiplied by the percentage used (maximum 100%). For example, if the percentage used is 87.5%, the compensation will be equal to 21 months.

The percentage used to calculate the compensation is the average percentage of the previous two financial years.

<u>Qualitative performance criterion</u>

The Board of Directors may adjust the amount of the bonus, expressed as a percentage of gross annual remuneration and calculated according to the quantitative criteria, based on the next results measured against a qualitative criterion. For this, the Board takes the Company's corporate social responsibility rating from Vigéo, or any environmental rating agency, into consideration. The final compensation amount is limited to 24 months' remuneration as defined above.

Non-compete compensation

The Chief Executive Officer is subject to a non-compete clause which prohibits any work in a competing sector. In respect of this non-compete clause, the activity taken into consideration as of the date of this document is the production, sale and distribution of liqueurs and spirits.

This non-compete commitment will be applicable in Europe, the United States and Asia (China, South-Eastern Asia and Japan) for a period of twelve (12) months as of the effective termination of this corporate office contract.

During this twelve (12)-month period, Mr Éric Vallat will receive a gross monthly lump sum non-compete payment equating to 100% of the average gross monthly basic salary received during the twelve (12) months prior to the end of the term of office. The Board of Directors may waive this clause.

The termination payment and non-compete compensation will be capped at two years' pay, as explained above.

Supplementary pension, life, disability and healthcare plans

The Chief Executive Officer will be eligible for the collective supplementary pension plans set up for the Group's senior management, which include:

- defined-contribution plan pursuant to Article L. 242-1 of the French Social Security Code.

The Chief Executive Officer is eligible for a defined-contribution plan that represents 8% of his annual remuneration with a calculation base that may not exceed eight times the annual ceiling social security ceiling paid by the Company. The Company's commitment is limited to the payment of the contribution to the insurance company that manages the plan;

- conditional Group defined-benefit plan ("Article 39") pursuant to Article L. 137-11 of the French Social Security Code.

The aim of the plan is to retain the key talent concerned and encourage long-term performance. The Chief Executive Officer is eligible for this supplementary pension plan, set up and funded by the Company and managed by a third-party insurance company. The PACTE law of 22 May 2019 and the Order of 4 July 2019 required the closure of "Article 39" defined-benefit pension plans set up at Rémy Cointreau for Senior Management. These plans were therefore closed to new entrants from 4 July 2019.

In addition, this law provides for the possibility to implement a new supplementary defined benefit pension plan, in accordance with a decree that has not been published yet.

Mr Éric Vallat will be eligible for this plan upon its implementation with a retroactive effect from 1 January 2020.

When he was appointed, in order to make the acquisition of supplementary pension rights as part of this defined-benefit pension plan subject to performance conditions, in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code, the Board of Directors decided that the performance criteria would be aligned with those of the annual variable remuneration of the Chief Executive Officer (financial portion and individual portion).

The Board of Directors will be called to review this scheme when the new plan is implemented by the Group. The performance conditions mentioned above may be subject to change and will be submitted for approval at the next Shareholders' Meeting.

SIXTH RESOLUTION

(Approval of the "termination payment", "non-compete payment", "defined-contribution and defined-benefit pension plans and death, incapacity, disability and health insurance" related party commitments made for the benefit of Mr Éric Vallat, Chief Executive Officer of the Company, pursuant to Articles L. 225-42-1 and L. 225-38 *et seq.* of the French Commercial Code and allocation conditions).

The Shareholders' Meeting, deliberating under the *quorum* and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the special report of the Statutory Auditors on the regulated agreements and commitments in accordance with Articles L. 225-42 and L. 225-38 *et seq.* of the French Commercial Code, approves, in accordance with Article L. 225-42-1 of the French Commercial Code, the aforementioned commitments made by the Company for the benefit of Mr Éric Vallat, Chief Executive Officer, corresponding to allowances and commitments due or liable to be due upon the termination of his functions and to supplementary pension plans, approved by the Board of Directors at its meeting of 26 November 2019.

SEVENTH, EIGHTH AND NINTH RESOLUTIONS

Reappointment of three Board members

EXPLANATORY STATEMENT

The seventh, eighth and ninth resolutions ask the Shareholders' Meeting to reappoint Ms Dominique Hériard Dubreuil, Ms Laure Hériard Dubreuil and Mr Emmanuel de Geuser as Board members for a three-year term, *i.e.* until the end of the Shareholders' Meeting called to approve the financial statements for the financial year ending 31 March 2023.

Ms Dominique Hériard Dubreuil, 73 years old, has been a member of the Board of Directors of Rémy Cointreau since 7 September 2004. She is Chairwoman of the Corporate Social Responsibility Committee and member of the Nomination and Remuneration Committee. The Board of Directors believes that the extensive experience of Ms Dominique Hériard Dubreuil in the wine and spirits industry, her in-depth understanding of CSR and the Group's teams are key assets for her reappointment to the Board of Directors of Rémy Cointreau. She will thus contribute, through her experience of the Group and governance of family-owned listed companies, to the fulfilment and the assertion of the new generation, which already plays an active role on the Board of Directors.

Ms Laure Hériard Dubreuil, 42 years old, is President of Webster USA, Inc., a high-end multi-brand fashion store concept in the United States. Ms Laure Hériard Dubreuil has been a member of the Board of Directors of Rémy Cointreau since 26 July 2011. The Board of Directors believes that the extensive experience of Ms Laure Hériard Dubreuil in the luxury goods industry, her in-depth understanding of e-commerce and expertise in management and international business are key assets for her reappointment to the Board of Directors of Rémy Cointreau.

Mr Emmanuel de Geuser, 56 years old, is Chief Financial Officer and member of the Management Committee of the Roquette Frères Group. He has been a member of the Board of Directors of Rémy Cointreau since 24 July 2014 and is independent according to the AFEP/MEDEF Code. He is a member of the Audit-Finance Committee. The Board of Directors believes that his personality, his expertise in financial matters in an international setting, his experience of risk monitoring and management, his knowledge of complex audit issues and his awareness of the importance of developing the digital domain and communication tools are key assets for his continuing presence, as an independent member, on the Board of Directors of Rémy Cointreau.

At its meeting on 3 June 2020, the Board of Directors examined in particular the independence of its members in light of the criteria set out in the AFEP/MEDEF Corporate Governance Code for listed companies, updated in January 2020.

A biography (including details of corporate offices and positions held) of these three Board members is included in chapter 3 of the 2019/2020 Universal Registration Document.

The Board of Directors has verified that the nominees for reappointment or appointment meet these conditions and have the time required to perform their duties. It also ensured that the composition of the Board is well balanced in terms of gender equality and international experience.

Should these resolutions be approved, the Board of Directors would have 14 members, two of whom would be non-voting members. It would comprise six women appointed by the Shareholders' Meeting, *i.e.* 50% of its members appointed by the shareholders (excluding non-voting members). Its composition would be well balanced in terms of skills. The percentage of independent members would exceed 50% (6/12) based on the AFEP/MEDEF Code calculation method (excluding non-voting members).

SEVENTH RESOLUTION

(Reappointment of Ms Dominique Hériard Dubreuil as Board member)

The Shareholders' Meeting, deliberating under the *quorum* and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report, resolves to reappoint Ms Dominique Hériard Dubreuil as Board member for a three-year term, *i.e.* until the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 March 2023.

EIGHTH RESOLUTION

(Reappointment of Ms Laure Hériard Dubreuil as Board member)

The Shareholders' Meeting, deliberating under the *quorum* and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report, resolves to reappoint Ms Laure Hériard Dubreuil as Board member for a three-year term, *i.e.* until the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 March 2023.

NINTH RESOLUTION

(Reappointment of Mr Emmanuel de Geuser as Board member)

The Shareholders' Meeting, deliberating under the *quorum* and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report, resolves to reappoint Mr Emmanuel de Geuser as Board member for a three-year term, *i.e.* until the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 March 2023.

TENTH RESOLUTION

Appointment of a principal Statutory Auditor

EXPLANATORY STATEMENT

As the appointment of Auditeurs et Conseils Associés expires at the end of this Shareholders Meeting, under the tenth resolution, the Board of Directors, on the recommendation of the Audit-Finance Committee, asks the Shareholders' Meeting to appoint Mazars, represented by Mr Jérôme de Pastors as Principal Statutory Auditors for a period of six financial years, which will expire at the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 March 2026.

In light of the new requirements regarding the maximum term of Statutory Auditor appointments, the Audit-Finance Committee performed a market review of existing Statutory Auditor firms. At the end of the tender procedure, Mazars proved that together, through its size, capacity, expertise and availability, it could naturally take over the mission of Auditeurs et Conseils Associés and provide the Rémy Cointreau Group with a high quality service.

As the appointment of Pimpaneau et Associés as Alternate Statutory Auditors also expires at the end of this Shareholders' Meeting, pursuant to Article L. 823-1 of the French Commercial Code, the Company is no longer obliged to have Alternate Statutory Auditors. As a result, you are not asked to appoint an Alternate Statutory Auditor.

TENTH RESOLUTION

(Appointment of a principal Statutory Auditor)

The Shareholders' Meeting, having heard the Board of Directors' report, resolves to appoint Mazars (replacing Auditeurs et Conseils Associés whose appointment expires at the end of this Shareholders' Meeting), represented by Mr Jérôme de Pastors, as Principal Statutory Auditors for a period of six financial years, which will expire at the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 March 2026.

The Shareholders' Meeting resolves, pursuant to Article L. 823-1 of the French Commercial Code, not to reappoint or replace as Alternate Statutory Auditors Pimpaneau et Associés, whose term of office expires at the close of this Shareholders' Meeting.

ELEVENTH, TWELFTH AND THIRTEENTH RESOLUTIONS

Approval of the remuneration policy for executive officers for the 2020/2021 financial year

EXPLANATORY STATEMENT

The purpose of the eleventh, twelfth and thirteenth resolutions is to submit for your approval, in accordance with Article L. 225-37-2 of the French Commercial Code, the remuneration policy for the Chairman of the Board of Directors, the Chief Executive Officer and the Directors for the 2020/2021 financial year.

These principles and criteria, approved by the Board of Directors on 3 June 2020, on the recommendation of the Nomination and Remuneration Committee, are presented in the Board of Directors' report on the remuneration policy for executive officers attached to the report referred to in Articles L. 225-100 and L. 225-102 of the French Commercial Code and appearing in section 3.5 of the 2019/2020 Universal Registration Document.

Please note that due to the coronavirus health crisis and the related responsible and civic-minded solidarity measures announced on 16 April 2020, the members of the Executive Committee, including the Chief Executive Officer, decided to freeze their fixed remuneration over the next twelve months.

It is specified that:

- if these resolutions are rejected by the Shareholders' Meeting, the remuneration of the Chairman of the Board of Directors and the Chief Executive Officer will be set in accordance with the remuneration policy approved in respect of the financial year ended 31 March 2020, in accordance with the provisions of Article L. 225-37-2 paragraph 4 of the French Commercial Code;
- the payment of the variable and exceptional components of the remuneration of the Chief Executive Officer depends on the subsequent approval, by a Company Shareholders' Meeting, of the components of the total remuneration and benefits of any kind during paid or awarded to the Chief Executive Officer in respect of the 2020/2021 financial year.

ELEVENTH RESOLUTION

(Approval of the principles and the criteria used to determine, distribute, and allocate the components of the total remuneration and benefits of any kind that may be awarded to the Chairman of the Board of Directors in accordance with Article L. 225-37-2 of the French Commercial Code)

The Shareholders' Meeting, ruling under the *quorum* and majority requirements of Ordinary Shareholders' Meetings, having reviewed the report on the remuneration policy applicable to executive officers defined in accordance with Article L. 225-37-2 of the French Commercial Code, approves the principles and criteria used to determine, distribute and allocate the fixed components of the total remuneration and benefits of any kind that may be awarded to the Chairman of the Board of Directors in respect of his office, set by the Board of Directors on the recommendation of the Nomination and Remuneration Committee, described in the Corporate Governance report as required under Article L. 225-37 of the French Commercial Code, and included in section 3.5 of the 2019/2020 Universal Registration Document.

TWELFTH RESOLUTION

(Approval of the principles and the criteria used to determine, distribute, and allocate the components of the total remuneration and benefits of any kind that may be awarded to the Chief Executive Officer in accordance with Article L. 225-37-2 of the French Commercial Code)

The Shareholders' Meeting, ruling under the *quorum* and majority requirements of Ordinary Shareholders' Meetings, having reviewed the report on the remuneration policy applicable to executive officers defined in accordance with Article L. 225-37-2 of the French Commercial Code, approves the principles and criteria used to determine, distribute and allocate the fixed, variable and exceptional components of the total remuneration and benefits of any kind that may be awarded to the Chief Executive Officer in respect of his office, set by the Board of Directors on the recommendation of the Nomination and Remuneration Committee, described in the Corporate Governance report as required under Article L. 225-37 of the French Commercial Code, and included in section 3 of the 2019/2020 Universal Registration Document.

THIRTEENTH RESOLUTION

(Approval of the remuneration policy for Board members for the 2020/21 financial year)

The Shareholders' Meeting, ruling under the quorum and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Corporate Governance report required under Article L. 225-37 of the French Commercial Code, describing the components of the remuneration policy for corporate officers which were set by the Board of Directors, approves, pursuant to Article L. 225-37-2 II of the French Commercial Code, the remuneration policy for Board members, required under Article L. 225-45 of the French Commercial Code, as presented in section 3.5 of the 2019/2020 Universal Registration Document.

FOURTEENTH RESOLUTION

Approval of the information regarding the remuneration paid during or awarded in respect of the financial year ended 31 March 2020 to all corporate officers

EXPLANATORY STATEMENT

Under the fourteenth resolution, the Shareholders' Meeting is asked to approve, in accordance with Article L. 225-100 of the French Commercial Code, the information regarding the remuneration of the corporate officers paid during or awarded in respect of the financial year ended 31 March 2020, referred to in Article L. 225-37-3 I of the French Commercial Code.

This information is presented in the Board of Directors' report on the Company's corporate governance in section 3.5 of the 2019/2020 Universal Registration Document.

Please note that if these resolutions are rejected by the Shareholders' Meeting, the Board of Directors will submit a revised version of the remuneration policy for shareholder approval at the next Shareholders' Meeting, which takes account of the votes expressed by shareholders, and will suspend the remuneration until the revised remuneration policy is approved.

FOURTEENTH RESOLUTION

(Approval of the information regarding the remuneration of corporate officers for the 2019/2020 financial year referred to in Article L. 225-37-3 I of the French Commercial Code)

The Shareholders' Meeting, ruling under the quorum and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Corporate Governance Report required under Article L. 225-37 of the French Commercial Code, approves, pursuant to Article L. 225-100 II of the French Commercial Code, the information referred to in Article L. 225-37-3 I of the French Commercial Code included in said report and as included in section 3.5 of the 2019/2020 Universal Registration Document.

FIFTEENTH, SIXTEENTH AND SEVENTEENTH RESOLUTIONS

Approval of the elements of total remuneration and benefits of any kind paid during or awarded for the year ended 31 March 2020 to each executive officer of the Company

EXPLANATORY STATEMENT

By voting on the fifteenth, sixteenth and seventeenth resolutions, the Shareholders' Meeting is asked to approve, in accordance with the provisions of Article L. 225-100 of the French Commercial Code, the fixed, variable and exceptional components of the total remuneration and benefits of any kind paid during or awarded, in respect of the financial year ended 31 March 2020, to each person who has held the post of executive officer of the Company during the said financial year, in accordance with the remuneration policy approved during the Shareholders' Meeting of 24 July 2019. Namely:

- Mr Marc Hériard Dubreuil as Chairman of the Board of Directors;
- Ms Valérie Chapoulaud-Floquet in respect of her position as Chief Executive Officer for the period from 1 April to 30 November 2019 and subsequent thereto;
- Mr Éric Vallat in respect of his position as Chief Executive Officer for the period from 1 December 2019 to 31 March 2020.

These components are presented in the Corporate Governance report indicated in Article L. 225-37 of the French Commercial Code, included in section 3.5 of the 2019/2020 Universal Registration Document.

Payment of the variable components of the remuneration of Ms Valérie Chapoulaud-Floquet and Mr Éric Vallat in respect of the financial year ended 31 March 2020, is subject to the approval of the sixteenth and seventeenth resolutions.

FIFTEENTH RESOLUTION

(Approval of the components of the total remuneration and benefits of any kind paid during or awarded, in respect of the financial year ended 31 March 2020, to Mr Marc Hériard Dubreuil, Chairman of the Board of Directors, pursuant to Article L. 225-100 of the French Commercial Code)

The Shareholders' Meeting, ruling under the *quorum* and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' reports, in accordance with the provisions of Article L. 225-100 of the French Commercial Code, approves the fixed components of the total remuneration and benefits of any kind paid during or awarded, in respect of the financial year ended 31 March 2020, to Mr Marc Hériard Dubreuil, Chairman of the Board of Directors, as presented in the Corporate Governance report as required under Article L. 225-37 of the French Commercial Code and included in section 3.5 of the 2019/2020 Universal Registration Document.

SIXTEENTH RESOLUTION

(Approval of the components of the total remuneration and benefits of any kind paid during or awarded to Ms Valérie Chapoulaud-Floquet, Chief Executive Officer, in respect of the financial year ended 31 March 2020, pursuant to Article L. 225-100 of the French Commercial Code)

The Shareholders' Meeting, ruling under the quorum and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' reports, in accordance with the provisions of Article L. 225-100 of the French Commercial Code, approves the fixed, variable and exceptional components of the total remuneration and benefits of any kind paid during or awarded, to

Ms Valérie Chapoulaud-Floquet, in respect of the financial year ended 31 March 2020, for her term of office as Chief Executive Officer and subsequent to such office, as presented in the Corporate Governance Report as required under Article L. 225-37 of the French Commercial Code and included in section 3.5 of the 2019/2020 Universal Registration Document.

SEVENTEENTH RESOLUTION

(Approval of the components of the total remuneration and benefits of any kind paid during or awarded to Mr Éric Vallat, Chief Executive Officer, in respect of the financial year ended 31 March 2020, pursuant to Article L. 225-100 of the French Commercial Code)

The Shareholders' Meeting, ruling under the *quorum* and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' reports, in accordance with the provisions of Article L. 225-100 of the French Commercial Code, approves the fixed, variable and exceptional components of the total remuneration and benefits of any kind paid during or awarded, to Mr Éric Vallat, in respect of the financial year ended 31 March 2020, for his term of office as Chief Executive Officer, as presented in the Corporate Governance report as required under Article L. 225-37 of the French Commercial Code and included in section 3.5 of the 2019/2020 Universal Registration Document.

EIGHTEENTH RESOLUTION

Remuneration of Board members

EXPLANATORY STATEMENT

Under the eighteenth resolution, you are asked to set the amount of remuneration allocated to Board members at €620,000, for 2020/2021 and subsequent financial years until otherwise decided. This amount, identical to that of the previous financial year, in line with the practices adopted by French groups of a similar size and international dimension to Rémy Cointreau.

Please note that in the context of the coronavirus crisis and the responsible and civic-minded solidarity measures announced on 16 April 2020, Board members have agreed to a 10% reduction of the amount of remuneration received in respect of the 2019/2020 financial year paid in 2020/2021.

EIGHTEENTH RESOLUTION

(Remuneration of Board members)

The Shareholders' Meeting, ruling under the *quorum* and majority requirements of Ordinary Shareholders' Meetings, resolves to set the total annual amount of remuneration allocated to members of the Board of Directors at €620,000 for 2020/2021 and subsequent financial years until otherwise decided.

NINETEENTH RESOLUTION

Purchase and sale of its own shares by the Company

EXPLANATORY STATEMENT

You are asked, under the nineteenth resolution, to renew the annual authorisation granted to the Company for the purpose of purchasing treasury shares under a share buyback programme.

Your Board of Directors made use of this authorisation solely in order to continue the execution of the liquidity contract.

Between 1 April 2019 and 31 March 2020, the Company purchased 235,194 shares and sold 210,516 shares under the liquidity contract. During this same period, it transferred 66,700 shares to service bonus share grants for long-term performance incentive plans.

As of 31 March 2020, the Company held 300,066 treasury shares, *i.e.* 0.59% of the total number of shares making up the share capital.

Breakdown of equity securities held, by purpose

Shares held by the Company are used to promote trading in the secondary market or to enhance the liquidity of the Rémy Cointreau share by an investment services provider, *via* a liquidity contract that complies with the Ethics Charter recognised by the AMF. 30,581 shares were held under the liquidity contract at 31 March 2020.

At 31 March 2020, the Company also held 200,000 treasury shares purchased under the latest share buyback programme implemented by the Board of Directors which was authorised by the Shareholders' Meeting of 24 July 2018 (including 125,000 shares allocated to the bonus share award and 75,000 shares allocated to the conversion of convertible bonds OCEANEs). And at the same date, 69,485 shares were held under the previous share buyback programme authorised by the Shareholders' Meeting of 25 July 2017 (all such shares were allocated to the bonus share award).

A detailed report on the share buyback transactions carried out in 2019/2020 is included in chapter 7 of the 2019/2020 Universal Registration Document. An online version of the description of the buyback programme will be available on the Company's website before the Shareholders' Meeting.

The authorisation would be granted within the following limits:

- maximum percentage of the share capital authorised for purchase: 10% of the share capital, *i.e.* a maximum number of 4,714,912 shares, taking into account the 300,066 treasury shares held as of 31 March 2020;
- maximum unit purchase price: €200;
- total maximum amount of the programme: €942,982,400;
- period: 18 months.

Share buyback transactions may be carried out at any time, except during a public takeover offer.

Treasury shares have no voting rights and dividends accruing to them are carried forward as retained earnings.

The Board of Directors shall inform shareholders of the transactions performed in its annual management report, in accordance with the provisions of Article L. 225-211 of the French Commercial Code.

NINETEENTH RESOLUTION

(Authorisation enabling the Board of Directors to carry out transactions on Company shares) in accordance with the provisions of articles L. 225-209 *et seq.* of the French Commercial Code

The Shareholders' Meeting ruling under the *quorum* and majority requirements of Ordinary Shareholders' Meetings, having read the Board of Directors' report and the items provided in the 2019/2020 Universal registration document including all the information required in the description of the programme, authorises the Board of Directors, with the option to delegate, in accordance with Article L. 225-209 *et seq.* of the French Commercial Code, Articles 241-1 *et seq.* of the French Financial Markets Authority (AMF) General Regulation and the European regulations applicable to market abuse, in particular (EU) regulation no. 596/2014 of 16 April 2014, to perform transactions on the Company's shares, under the conditions and within the limits provided for by the texts, in decreasing order of priority:

(i) to ensure liquidity or promote trading in the secondary market in Rémy Cointreau shares *via* an independent investment services provider, under the terms of a liquidity agreement that complies with an Ethics Charter recognised by the AMF;

(ii) to cancel shares purchased as part of a capital reduction, subject to the adoption of the twentieth resolution submitted to this Shareholders' Meeting;

(iii) to deliver all or part of the shares acquired upon the exercise of the rights attached to marketable securities giving the right, by conversion, exercise, redemption or exchange or by any other manner, to the allocation of Company shares pursuant to applicable regulations;

(iv) to use all or part of the shares acquired to implement any share purchase option or bonus share allocation plans for employees and/or corporate officers of the Company and/or companies related to it in accordance with the terms and conditions provided by law, and carry out any hedging transactions in connection with these transactions under the terms and conditions stipulated by law;

(v) to hold all or part of the shares acquired with a view to their subsequent exchange or use as payment in relation to acquisitions, contributions, mergers and share splits, in accordance with recognised market practices and pursuant to applicable regulations; and

(vi) more generally, to carry out any other transaction currently permitted or which may be permitted at a later time, by law or the AMF.

The purchase, sale, transfer or exchange of these shares may be carried out at any time under the legal and regulatory conditions, except during a public takeover offer, and by any means, in particular on the market or over the counter, including in the form of block purchase or sale transactions, including with individual shareholders, through the use of derivative financial instruments, warrants or securities giving access to the Company's shares, as well as the use of hedging strategies, in accordance with applicable regulations.

The Shareholders' Meeting sets:

- at €200 per share, excluding acquisition costs, the maximum purchase price (or a value equating to this amount on the same date in any other currency), and at €942,982,400, excluding acquisition costs, the maximum total amount to cover this share buyback programme, subject to adjustments in connection with any transactions on the Company's share capital, and/or the par value of the shares, it being specified that in the event of a capital transaction, in particular a stock split or reverse stock split or a bonus share grant to shareholders, the price and the maximum amount indicated above being adjusted by applying a multiplier equal to the ratio between the number of shares making up the share capital before the transaction and the number after the transaction;
- the number of shares that may be purchased, at 10% of the shares making up the share capital, *i.e.* 4,714,912 shares, given the number of treasury shares held by the Company as of 31 March 2020, it being specified that (a) this limit is applicable to an amount of the Company's share capital, which may, if necessary, be adjusted to take account of transactions subsequent to this Shareholders' Meeting that affect the share capital and (b) that in the event the shares are purchased to promote the liquidity of Rémy Cointreau under the terms and conditions laid down by the AMF General Regulation, the number of shares used to calculate this 10% limit equates to the number of shares purchased less the number of shares sold during the period of this authorisation.

In accordance with the provisions of Article L. 225-210 of the French Commercial Code, the Company may not own, either directly or *via* a person acting in their own name but on the Company's behalf, more than 10% of its own shares, nor more than 10% of a particular category.

The Shareholders' Meeting gives all powers to the Board of Directors, with the option to sub-delegate, in accordance with legal and regulatory requirements, to (i) place any order on a stock market or off-market, allocate or re-allocate the shares to the various intended purposes, sign all sale or transfer agreements, enter into all agreements and option contracts, make all declarations and complete all formalities with all bodies, and, generally, do whatever is necessary for the execution of the decisions it takes under this authorisation and, (ii) adjust the unit price and the maximum number of shares to be purchased, in accordance with the change in the number of shares or in the par value resulting from any financial transactions performed by the Company.

The Board of Directors shall inform the Shareholders' Meeting each year of the transactions performed under this resolution, in accordance with the provisions of Article L. 225-211 of the French Commercial Code.

The authorisation thus granted to the Board of Directors is valid for a period of eighteen (18) months as from this Shareholders' Meeting and cancels, for the unused portion, the authorisation granted by the Combined Shareholders' Meeting of 24 July 2019 under the sixteenth resolution.

Extraordinary business

TWENTIETH RESOLUTION

Authorisation to reduce the share capital via the cancellation of treasury shares held by the Company

EXPLANATORY STATEMENT

The twentieth resolution allows the Board of Directors the option of cancelling, in accordance with Article L. 225-209 of the French Commercial Code, by way of a capital reduction, the shares purchased by the Company pursuant to the authorisation granted by the meeting in its nineteenth resolution, or purchased under prior authorisations for the Company to buy and sell its own shares.

Its aim is to enable the Board of Directors to reduce the share capital as a result of this cancellation. In accordance with the law, such transactions may not cover more than 10% of the share capital in each 24-month period.

This authorisation shall be valid for a maximum period of eighteen months from the date of this Shareholders' Meeting, and will render ineffective all prior authorisations.

The Board of Directors did not use this authorisation during the financial year.

TWENTIETH RESOLUTION

(Authorisation enabling the Board of Directors to reduce the share capital via the cancellation of treasury shares held by the Company)

The Shareholders' Meeting, ruling under the *quorum* and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, authorises the Board of Directors, with the option to sub-delegate under legal and regulatory requirements, in accordance with Article L. 225-209 of the French Commercial Code:

- to cancel, on one or more occasions, in the proportions and at the times it deems fit, all or part of the shares under the implementation of any authorisation granted by the Shareholders' Meeting pursuant to Article L. 225-209 of the French Commercial Code, within the limit of 10% of the total number of shares making up the share capital per twenty-four (24)-month period, on the understanding that this limit applies to an amount of the Company's share capital that will be adjusted, where applicable, in order to take into account the transactions subsequent to this Shareholders' Meeting that affect the share capital, and accordingly reduce the share capital by charging the difference between the purchase price of the shares and their par value to any reserve and paid-in capital items available;
- to determine the final amount of this or these capital reductions, set their terms and conditions and record their execution;
- to make the corresponding amendments to the Articles of Association and, more generally, do whatever is necessary for the implementation of this authorisation.

The authorisation thus granted to the Board of Directors is valid for a period of eighteen (18) months as from this Shareholders' Meeting and cancels, for the unused portion, the delegations granted by the Combined Shareholders' Meeting of 24 July 2019 under the seventeenth resolution.

TWENTY-FIRST, TWENTY-SECOND, TWENTY-THIRD, TWENTY-FOURTH, TWENTY-FIFTH, TWENTY-SIXTH, TWENTY-SEVENTH AND TWENTY-EIGHTH RESOLUTIONS

Financial authorisations

EXPLANATORY STATEMENT

In previous years, the Shareholders' Meeting granted delegations and authorisations to your Board of Directors on a regular basis for the purpose of performing capital increases, which enabled it, within the limits set by the Shareholders' Meeting, to set up the financing operations that were best suited to the development of the Company and market conditions and carry out strategic financial transactions in addition to any debt that may be issued.

These issues could increase the Company's share capital and thus cause a dilution of existing shareholders.

The new delegations, which may affect the amount of the share capital, are in line with those of a similar nature authorised at previous Shareholders' Meetings and are consistent with usual practices and recommendations concerning the amount, ceiling and period (26 months).

The table summarising financial authorisations granted to the Board of Directors currently in force until this Shareholders' Meeting and the uses made of those delegations is provided in chapter 7 of the 2019/2020 Universal Registration Document.

The delegations provided under these resolutions concern the issue of shares and securities giving access to the share capital with or without preferential subscription rights.

Rémy Cointreau's Board of Directors' policy aims, as a rule, to favour increases with maintenance of preferential subscription rights for shareholders. However, it may be necessary to waive the preferential rights of shareholders; in this case, the Shareholders Meeting will give shareholders a priority subscription period for the entire issue of three trading days. You are reminded that this priority right does not result in the creation of tradable rights but may be exercised, if the Board of Directors deems it appropriate, on a reducible and irreducible basis.

The maximum nominal amount for immediate or future share capital increases liable to be carried out under the authorisations to be granted would be:

(i) twenty (20) million euros (*i.e.* 24.92% of the share capital – "total ceiling") with maintenance of preferential subscription rights;

(ii) fifteen (15) million euros (*i.e.* 18.69% of the share capital – "sub-ceiling") without preferential subscription rights.

The par value of the debt securities that may be issued under these authorisations (including through issues of convertible, exchangeable or repayable bonds) would be five hundred (500) million euros.

The sub-ceiling is applicable to the following issues, subject to the type of transaction contemplated:

- capital increases by public offer or by way of private placement (qualified investors) without preferential subscription rights (twenty-second and twenty-third resolutions). Under these resolutions, you are also asked to authorise your Board of Directors, in the context of complex security and intragroup issues, to decide on the issue of shares and securities representing a proportion of Rémy Cointreau's share capital to be issued, to which the securities issued by companies in which Rémy Cointreau directly or indirectly holds more than 50% of the share capital (a "controlled company") or by any company directly or indirectly holding more than 50% of the share capital of Rémy Cointreau (a "controlling company"), would give entitlement.

The same fifteen (15) million euros ceiling on the nominal amount of the capital increase would be applicable to these issues;

- issues in consideration for contributions of securities in the event of a public exchange offer carried out by Rémy Cointreau (twenty-sixth resolution). This resolution would allow the Company to offer shareholders of listed companies the ability to exchange their shares against Rémy Cointreau shares issued for this purpose, thereby giving the Company the possibility to acquire shares in the company in question without using bank loans for example;
- issues in consideration for contributions in kind comprising securities of another company, except in the event of a public exchange offer (twenty-seventh resolution). This resolution would make it easier for Rémy Cointreau to carry out merger and acquisition transactions with other companies without having to pay the price in cash.

In accordance with the law, the issue price of the shares must equate to at least the weighted average quoted share price over the three trading days preceding the date on which it was set, less, as the case may be, a maximum discount of 10%.

However, under the twenty-fifth resolution, you are asked to authorise your Board of Directors to deviate from the price setting requirements provided for in the twenty-second and twenty-third resolutions by using an issue price equating to the average quoted share price over a period no greater than the six months preceding the issue, or an issue price equating to the weighted average quoted share price on the day preceding the issue (VWAP 1 day) with a maximum discount of 10%.

Under the twenty-fourth resolution, you are asked to allow your Board of Directors to embrace financial market opportunities, by authorising it to decide on additional issues, for any capital increase, with or without preferential subscription rights, within a period of 30 days of the closing of subscriptions, at the same price and within the limit of 15% of the initial issue.

Under the twenty-eighth resolution, you are asked to authorise your Board of Directors to increase the share capital through the capitalisation of reserves, profits, premiums or other amounts that may be capitalised, within the limit of a maximum nominal amount of twenty (20) million euros. This is a separate and distinct ceiling from the ceilings of capital increases authorised in the other resolutions.

TWENTY-FIRST RESOLUTION

Issue of shares and securities giving access to the share capital with preferential subscription rights

TWENTY-FIRST RESOLUTION

(Delegation to the Board of Directors to issue ordinary shares and/or securities giving access to the Company's share capital and/or securities granting entitlement to the allocation of debt securities, with maintenance of preferential subscription rights for shareholders)

The Shareholders' Meeting, ruling under the *quorum* and majority requirements of Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and ruling in accordance with Articles L. 225-129 *et seq.* of the French Commercial Code, in particular Articles L. 225-129 to L. 225-129-6, L. 225-132, L. 225-133, L. 225-134, and Articles L. 228-91 *et seq.* of the French Commercial Code:

- authorises the Board of Directors, with the option to sub-delegate under the conditions laid down by law and the Company's Articles of Association, to decide on and carry out, on one or more occasions, in the proportions and at the times it shall deem appropriate, both in France and abroad, in euros or any other currency (including in any other unit of account established by reference to a basket of currencies), the issue, with maintenance of preferential subscription rights for shareholders, of:

(i) ordinary shares in the Company,

(ii) securities of any kind, issued against payment or free of charge, giving immediate or future access, by any means, to shares in the Company, whether existing or to be issued, or

(iii) securities of any kind, issued against payment or free of charge, giving immediate or future access, by any means, to shares, whether existing or to be issued, in a company of which it directly or indirectly holds more than half of the share capital (a "Subsidiary");

- resolves that the securities issued thereby, giving access to the share capital of the Company or of a Subsidiary, may be debt securities or associated with the issue of such instruments, or allow the issue thereof as intermediate securities, and that debt securities issued under this authorisation may in particular be in the form of subordinate securities or not, with a fixed term or not, and be issued either in euros or any other currency;
- resolves that the subscriptions may be paid in cash, in particular they may be offset against certain liquid, payable debt, or partially paid in cash and partially through the capitalisation of reserves, profits or issue premiums;
- resolves that the maximum nominal amount of capital increases that may be carried out, immediately or at a later time, under this authorisation, may not exceed twenty (20) million euros, or the equivalent value of this amount as at the date on which the issue was decided, in the event of an issue in another currency or unit of account set by reference to several currencies, it being specified that:

(i) the nominal amount of any capital increase carried out or which may be carried out at a later time under the twenty-second, twenty-third, twenty-sixth and twenty-seventh resolutions of this Shareholders' Meeting will be deducted from this ceiling, and

(ii) where applicable, the nominal amount of any capital increases resulting from ordinary shares to be issued in order to maintain the rights of holders of securities conferring access to the share capital of the Company, in accordance with the law and with any applicable contractual provisions, shall be added to this amount;

- resolves that the maximum nominal amount of issues of debt securities that may be carried out under this authorisation may not exceed five hundred (500) million euros or the equivalent value of this amount as at the date on which the issue was decided, in the event of an issue in another currency or unit of account set by reference to several currencies, not including adjustments that may be required pursuant to law. This ceiling is common to all debt securities that may be issued pursuant to this authorisation and to the twenty-second, twenty-third, twenty-sixth and twenty-seventh resolutions put to vote at this Shareholders' Meeting. This ceiling will be increased, if necessary, by any redemption premium in excess of the par value;
- resolves that the shareholders may, under the conditions provided by law, exercise their preferential subscription rights on an irreducible basis. In addition, the Board of Directors may grant shareholders the right to subscribe, on a reducible basis, a higher number of ordinary shares and/or securities than they are entitled to subscribe on an irreducible basis, *pro rata* to their subscription rights and, in any case, limited to the number of securities requested by them;
- resolves that if irreducible subscriptions and as the case may be, any reducible subscriptions do not cover the entire issue of shares or securities carried out under this resolution, the Board of Directors may make use, in the order it deems appropriate, of one or more options provided by Article L. 225-134 of the French Commercial Code;
- duly notes that this delegation automatically entails the waiver by shareholders, in favour of the holders of securities issued under this resolution and granting access to the Company's share capital, of their preferential subscription rights to the ordinary shares to which these securities confer entitlement;
- resolves that issues of Company share subscription warrants may be carried out either through (i) a subscription offer, or (ii) a bonus award to existing shareholders, it being specified that rights giving rise to fractional shares and the corresponding

securities will be sold under the terms and conditions laid down by Article L. 228-6-1 of the French Commercial Code;

- resolves that the Board of Directors may not, without prior approval of the Shareholders' Meeting, make use of these authorisations in the event of a third party filing a public offer for the shares of the Company and until the end of the offer period;
- gives full powers to the Board of Directors, with the option to sub-delegate under the terms and conditions provided by law, to implement this delegation, the purpose of which is in particular (but not limited to) to: set the terms, conditions and procedures, including the dates of the issues; determine the number and characteristics of the securities that may be issued under this resolution, including, in the case of debt securities, their tier, interest rate and the terms and conditions governing the payment of interest, their issue currency, maturity and the terms and conditions for redemption and amortisation; set the date of entitlement to dividends, which may even be retroactive, of securities that may be issued under this resolution; set the conditions under which the Company will, where appropriate, be able to purchase or exchange the securities that may be issued under this resolution; suspend, where applicable, the exercise of rights to the allocation of Company shares attached to the securities, in accordance with the regulations in force; set the procedures for ensuring, where applicable, the preservation of the rights of holders of securities, in accordance with the regulations in force and the terms and conditions of said securities; where applicable, change, throughout the life of the securities in question, the terms and conditions of the securities that may be issued under this authorisation, in accordance with the applicable procedures; carry out withdrawals from or offset any amounts against the share premium(s), including issuance costs; and, more generally, take all necessary measures, enter into any agreements, obtain any authorisations, perform any formalities and do whatever is necessary for the completion of the contemplated issues or suspend them and, in particular, record the capital increase(s) resulting immediately, or in the future, from any issue carried out under this delegation, make the corresponding amendments to the Articles of Association and request the admission to trading of the securities issued under this resolution wherever it deems appropriate.

The delegation thus granted to the Board of Directors is valid for a period of twenty-six (26) months as from this Shareholders' Meeting and cancels, for the unused portion, the delegation granted by the Combined Shareholders' Meeting of 24 July 2018 under its twenty-third resolution.

TWENTY-SECOND RESOLUTION

Issue of shares and securities giving access to the share capital without preferential subscription rights, by way of public offer

TWENTY-SECOND RESOLUTION

(Delegation to the Board of Directors to issue ordinary shares and/or securities giving access to the Company's share capital and/or securities granting entitlement to the allocation of debt securities, without preferential subscription rights for shareholders, by way of a public offer)

The Shareholders' Meeting, ruling under the *quorum* and majority requirements of Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and ruling in accordance with Articles L. 225-129 *et seq.* of the French Commercial Code, in particular Articles L. 225-129-2 to L. 225-129-6, L. 225-131, L. 225-135, L. 225-136, L. 228-91 *et seq.* of the French Commercial Code:

- authorises the Board of Directors, with the option to sub-delegate in accordance with legal requirements and the Company's Articles of Association, to decide to and carry out, on one or more occasions, in the amounts and at the times it deems appropriate, both in France and abroad, in euros, or in any other currency (including in any unit of account established by reference to a basket of currencies), by way of a public offer, as referred to in (EU) regulation no. 2017/1129 of 14 June 2017, the issue of:

(i) ordinary shares in the Company,

(ii) securities of any kind, issued against payment or free of charge, giving immediate or future access, by any means, to shares in the Company, whether existing or to be issued, or

(iii) securities of any kind, issued against payment or free of charge, giving immediate or future access, by any means, to shares, whether existing or to be issued, in a company of which it directly or indirectly holds more than half of the share capital (a "Subsidiary");

- resolves that the securities issued thereby, giving access to the share capital of the Company or of a Subsidiary, may be debt securities or associated with the issue of such instruments, or allow the issue thereof as intermediate securities, and that debt securities issued under this authorisation may in particular be in the form of subordinate securities or not, with a fixed term or not, and be issued either in euros or any other currency;
- resolves that the subscriptions may be paid in cash, in particular they may be offset against liquid, payable Company debts;
- resolves that the maximum nominal amount of capital increases that may be carried out, immediately and/or at a later time, under this authorisation, may not exceed fifteen (15) million euros, or the equivalent value of this amount as at the date on which the issue was decided, in the event of an issue in another currency or unit of account set by reference to several currencies, it being specified that:
  - where applicable, the nominal amount of any capital increases resulting from ordinary shares to be issued in order to maintain the rights of holders of securities conferring access to the share capital of the Company, in accordance with the law and with any applicable contractual provisions, shall be added to this amount,

  - the aggregate maximum nominal amount of the capital increases that may be carried out under this resolution, the twenty-first, twenty-third, twenty-sixth, twenty-seventh and twenty-ninth resolutions submitted to this Shareholders' Meeting may not exceed the twenty (20) million euros ceiling set under the twenty-first resolution;
- resolves that the maximum nominal amount of the issues of debt securities that may be carried out under this resolution may not exceed five hundred (500) million euros, or the equivalent value of this amount as at the date on which the issue is decided, in the event of an issue in another currency or a unit of account established by reference to several currencies, it being specified that this ceiling is deducted from the total ceiling of twenty (20) million euros set under the twenty-first resolution of this Shareholders' Meeting. This ceiling will be increased, if necessary, by any redemption premium in excess of the par value;
- resolves that:
  - the issue price of the new shares will equate to at least the minimum price provided for by law and the regulations in force at the time of the issue (*i.e.* currently the weighted average quoted share price over the three trading days preceding the setting of the subscription price of the capital increase, less, as the case may be, a maximum discount of 10%), after correction, if applicable, to take into the account the different dividend entitlement dates,
  - the issue price of the securities giving access to the Company's share capital shall be such that, for each share issued as a result of the issue of said marketable securities, the amount immediately received by the Company, plus any amount it may receive at a later date, shall be at least equal to the issue price defined in the previous paragraph;
- resolves to cancel the shareholders' preferential subscription rights to the shares and marketable securities to be issued in respect of this resolution, in the amount defined above, and to grant a priority subscription period to shareholders covering the entire issue. The priority subscription period may be no less than three (3) trading days. This priority option will not give rise to the creation of trading rights but may be exercised, should the Board of Directors deem it appropriate, on an irreducible or reducible basis;
- resolves that the Board of Directors may, in the event that the subscriptions have not covered the entire issue of shares or securities, limit the amount of the issue to that of the subscriptions received, provided that said amount totals at least three-quarters of the issue decided;
- duly notes, insofar as required, that this delegation automatically entails, in favour of the holders of securities issued under this resolution, the waiver by shareholders of their preferential subscription rights to the ordinary shares to which these securities confer entitlement;
- authorises the issue by (i) any company of which Rémy Cointreau directly or indirectly holds more than 50% of the share capital ("the controlled company"), subject to the approval by Rémy Cointreau's Board of Directors, of securities conferring the right, by any means, immediately or at a later time, to shares to be issued by Rémy Cointreau, and/or (ii) by any company directly or indirectly holding, more than 50% of Rémy Cointreau's share capital ("the controlling company"), of securities conferring the right, by any means, immediately or in future, to shares to be issued by Rémy Cointreau;
- authorises the Board of Directors to issue shares and securities giving access to Rémy Cointreau's share capital, to which these securities that may be issued by a controlled company and/or controlling company, would give entitlement, subject to the approval of Rémy Cointreau's Board of Directors;
- resolves to cancel the preferential subscription rights of Rémy Cointreau shareholders for shares and securities to be issued under this delegation and duly notes that this decision entails waiver by the shareholders, in favour of the holders of securities issued under this delegation and giving access to Rémy Cointreau's share capital, of their preferential subscription rights to Rémy Cointreau's shares or securities giving access to Rémy Cointreau's share capital, to which these securities confer entitlement;
- resolves that the ceiling on the nominal amount of the capital increase resulting from the issues carried out or from the securities representing a proportion of the share capital allocated subsequent to the issue of securities by a controlled company or controlling company, shall be set at fifteen (15) million euros, it being specified that this ceiling is deducted from the total maximum ceiling set under this resolution and that it shall be set without taking into account the Company shares to be issued in respect of any adjustments made in accordance with law and, if applicable, with contractual provisions;
- resolves that the Board of Directors may not, without prior approval of the Shareholders' Meeting, make use of these authorisations in the event of a third party filing a public offer for the shares of the Company and until the end of the offer period;
- gives full powers to the Board of Directors, with the option to sub-delegate, under the terms and conditions provided by law, to implement this authorisation, the purpose of which is (but not limited to): to set the terms, conditions and procedures, including the dates, of the issues; determine the number and characteristics of the securities that may be issued under this resolution, including in the case of debt securities, their tier, interest rate and the terms and conditions governing the payment of interest, their issue currency, maturity and the terms and conditions for redemption and amortisation; set the date of dividend entitlement, which may even be retroactive, for securities that may be issued under this resolution; set the conditions under which the Company will, where appropriate, be able to purchase or exchange the securities that may be issued under this resolution; suspend, where applicable, the exercise of rights to the allocation of Company shares attached to the securities, in accordance with the regulations in force; set the procedures for ensuring, where applicable, the preservation of the rights of holders of securities, in accordance with the regulations in force and the terms and conditions of said securities; where applicable, change, throughout the life of the securities in question, the terms and conditions of the securities that may be issued under this authorisation, in accordance with the applicable procedures; carry out withdrawals from or offset any amounts against the share premium(s), including issuance costs; and, more generally, take all necessary measures, enter into any agreements, obtain any authorisations, perform any formalities and do whatever is necessary for the completion of the contemplated issues or suspend them and, in particular, record the capital increase(s) resulting immediately, or in the future, from any issue carried out under this delegation, make the corresponding amendments to the Articles of Association and request the admission to trading of the securities issued under this resolution wherever it deems appropriate; with the agreement of the Board of Directors or the Chairman of the

Company(ies) seeking to carry out an issue, set the amounts to be issued, determine the type of securities to be created and all the terms and conditions of the issue, and in general, enter into all agreements, take all measures and carry out all the formalities necessary for carrying out the contemplated issues, with the understanding that the Board of Directors will be required to set the exchange parities and, if applicable, the amount to be paid in cash.

The delegation thus granted to the Board of Directors is valid for a period of twenty-six (26) months as from this Shareholders' Meeting and cancels, for the unused portion, the delegation granted by the Combined Shareholders' Meeting of 24 July 2018 under its twenty-fourth resolution.

TWENTY-THIRD RESOLUTION

Issue of shares and securities giving access to the share capital without preferential subscription rights, by way of private placement

TWENTY-THIRD RESOLUTION

(Delegation to the Board of Directors to issue ordinary shares and/or securities giving access to the share capital and/or securities giving entitlement to debt securities, without shareholders' preferential subscription rights, by way of private placements referred to in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code)

The Shareholders' Meeting, ruling under the *quorum* and majority requirements of Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and ruling in accordance with Articles L. 225-129 *et seq.* of the French Commercial Code, in particular Articles L. 225-129-2, L. 225-131, L. 225-135, L. 225-136 and L. 228-91 *et seq.* of the French Commercial Code and Article L. 411-2 paragraph 1 of the French Monetary and Financial Code:

- authorises the Board of Directors, with the option to sub-delegate in accordance with legal requirements and the Company's Articles of Association, to decide on and carry out, on one or more occasions, in the amounts and at the times it deems appropriate, the issue, both in France and abroad, in euros, or in any other currency (including in any unit of account established by reference to a basket of currencies), by way of an offer carried out under a private placement within the meaning of paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code, of:

(i) ordinary shares in the Company,

(ii) securities of any kind, issued against payment or free of charge, giving immediate or future access, by any means, to shares in the Company, whether existing or to be issued, or

(iii) securities of any kind, issued against payment or free of charge, giving immediate or future access, by any means, to shares, whether existing or to be issued, in a company of which it directly or indirectly holds more than half of the share capital (a "Subsidiary");

- resolves that the securities issued thereby, giving access to the share capital of the Company or of a Subsidiary, may be debt securities or associated with the issue of such instruments, or allow the issue thereof as intermediate securities, and that debt securities issued under this authorisation may in particular be in the form of subordinate securities or not, with a fixed term or not, and be issued either in euros or any other currency;
- resolves that the subscriptions may be paid in cash, in particular they may be offset against liquid, payable Company debts;
- resolves that the maximum nominal amount of capital increases that may be carried out, immediately or at a later time, under this authorisation, may not exceed 10% of the share capital per 12-month period, nor may it exceed fifteen (15) million euros, or the equivalent value of this amount as at the date on which the issue was decided, in the event of an issue in another currency or unit of account set by reference to several currencies, it being specified that:
  - where applicable, the nominal amount of any capital increases resulting from ordinary shares to be issued in order to maintain the rights of holders of securities conferring access to the share capital of the Company, in accordance with the law and with any applicable contractual provisions, shall be added to this amount,
  - the nominal amount of any capital increase carried out under this resolution will be deducted from the fifteen (15) million euros ceiling set under the twenty-second resolution,
  - the aggregate maximum nominal amount of the capital increases that may be carried out under this resolution, the twenty-first, twenty-second, twenty-sixth, twenty-seventh and twenty-ninth resolutions submitted to this Shareholders' Meeting may not exceed the twenty (20) million euros ceiling set under the twenty-first resolution;
- resolves that the maximum nominal amount of the issues of debt securities that may be carried out under this resolution, may not exceed five hundred (500) million euros, or its equivalent value as at the date on which the issue is decided, in the event of an issue in another currency or a unit of account established by reference to several currencies, it being specified that this amount is deducted from the total ceiling of five hundred (500) million euros set under the twenty-first resolution;
- resolves that:
  - the issue price of the new shares will equate to at least the minimum price provided by legal and regulatory provisions in force at the time of the issue (*i.e.* currently the weighted average share price quoted on the Euronext Paris regulated market over the last three trading days preceding the setting of the subscription price of the capital increase, less, as the case may be, a maximum discount of 10%), after correction, if applicable, to take into the account the different vesting dates,

- the issue price of the securities giving access to the Company's share capital shall be such that, for each share issued as a result of the issue of said marketable securities, the amount immediately received by the Company, plus any amount it may receive at a later date, shall be at least equal to the issue price defined in the previous paragraph;

— resolves to cancel the shareholders' preferential subscription rights to ordinary shares and securities giving access to the capital to be issued under the resolution;

— resolves that the Board of Directors may, in the event that the subscriptions have not covered the entire issue of shares or securities, limit the amount of the issue to that of the subscriptions received, provided that said amount totals at least three-quarters of the issue decided;

— duly notes, insofar as required, that the above delegation automatically entails, in favour of the holders of securities issued under this resolution, the waiver by shareholders of their preferential subscription right to the ordinary shares to which these securities confer entitlement.

The Shareholders' Meeting:

— authorises the issue by (i) any company of which Rémy Cointreau directly or indirectly holds more than 50% of the share capital ("the controlled company") of securities conferring the right, by any means, immediately or at a later time, to shares to be issued by Rémy Cointreau, and/or (ii) by any company directly or indirectly holding, more than 50% of Rémy Cointreau's share capital ("the controlling company"), of securities conferring the right, by any means, immediately or in future, to shares to be issued by Rémy Cointreau;

— authorises the Board of Directors to issue shares and securities giving access to Rémy Cointreau's share capital, to which these securities that may be issued by a controlled company and/or controlling company, would give entitlement, subject to the approval of Rémy Cointreau's Board of Directors;

— resolves to cancel the preferential subscription rights of Rémy Cointreau shareholders for shares and securities to be issued under this delegation and duly notes that this decision entails waiver by the shareholders, in favour of the holders of securities issued under this delegation and giving access to Rémy Cointreau's share capital, of their preferential subscription rights to Rémy Cointreau's shares or securities giving access to Rémy Cointreau's share capital, to which these securities confer entitlement;

— resolves that the ceiling on the nominal amount of the capital increase resulting from the issues carried out or from the securities representing a proportion of the share capital allocated subsequent to the issue of securities by a Controlled Company or Controlling Company, shall be set at fifteen (15) million euros, it being specified that this ceiling is deducted from the total maximum ceiling set under the twenty-second resolution of this meeting and that it shall be set without taking into account the Company shares to be issued in respect of any adjustments made in accordance with law and, if applicable, with contractual provisions;

— resolves that the Board of Directors may not, without prior approval of the Shareholders' Meeting, make use of these authorisations in the event of a third party filing a public offer for the shares of the Company and until the end of the offer period;

— gives full powers to the Board of Directors, with the option to sub-delegate, under the terms and conditions provided by law, to implement this authorisation, the purpose of which is (but not limited to): to set the terms, conditions and procedures, including the dates, of the issues; determine the number and characteristics of the securities that may be issued under this resolution, including in the case of debt securities, their tier, interest rate and the terms and conditions governing the payment of interest, their issue currency, maturity and the terms and conditions for redemption and amortisation; set the date of dividend entitlement, which may even be retroactive, for securities that may be issued under this resolution; set the conditions under which the Company will, where appropriate, be able to purchase or exchange the securities that may be issued under this resolution; suspend, where appropriate, the exercise of rights attached to the securities conferring an entitlement to the allotment of Company shares, in accordance with the regulations in force; set the procedures for ensuring, if necessary, the preservation of the rights of the holders of securities, in accordance with the regulations in force and the terms and conditions of said securities; if necessary, change, throughout the life of the securities concerned, the terms and conditions of the securities that may be issued under this authorisation, in accordance with the applicable procedures; offset any amounts against the share premium(s), including issuance costs; and more generally, take all necessary measures, enter into any agreements, obtain any authorisations, perform any formalities required for the completion of the contemplated issues or suspend them and, in particular, record the capital increase(s) resulting immediately or in future, from any issue carried out under this authorisation, make the corresponding amendments to the Articles of Association and request the admission to trading of the securities issued under this resolution wherever it deems appropriate; with the agreement of the Board of Directors or the Chairman of the Company(ies) seeking to carry out an issue, set the amounts to be issued, determine the type of securities to be created and all the terms and conditions of the issue, and in general, enter into all agreements, take all measures and carry out all the formalities necessary for carrying out the contemplated.

The delegation thus granted to the Board of Directors is valid for a period of twenty-six (26) months as from this Shareholders' Meeting and cancels, for the unused portion, the delegation granted by the Combined Shareholders' Meeting of 24 July 2018 under its twenty-fifth resolution.

TWENTY-FOURTH RESOLUTION

Increase in the number of securities to be issued with or without shareholders' preferential subscription rights

TWENTY-FOUTH RESOLUTION

(Authorisation for the Board of Directors to increase the number of securities to be issued, in the event of over-suscription, within a limit of 15% of the initial issue, with or without shareholders' preferential subscription rights)

The Shareholders' Meeting, ruling under the *quorum* and majority requirements of Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, in accordance with the provisions of Article L. 225-135-1 of the French Commercial Code:

- authorises the Board of Directors, with the option to sub-delegate in accordance with legal and regulatory requirements, to decide, in the event of a capital increase with or without preferential subscription rights, to increase the number of securities to be issued, within a period of 30 days of the closing of subscriptions and within a limit of 15% of the initial issue and at the same price as that retained for the initial issue, and subject to compliance with the ceiling provided for in the resolution under which the issue is decided.

The delegation thus granted to the Board of Directors is valid for a period of twenty-six (26) months as from this Shareholders' Meeting and cancels, for the unused portion, the delegation granted by the Combined Shareholders' Meeting of 24 July 2018 under its twenty-seventh resolution.

TWENTY-FIFTH RESOLUTION

Deviation from the terms and conditions governing price setting

TWENTY-FIFTH RESOLUTION

(Delegation to the Board of Directors to set the price of the securities to be issued, without shareholders' preferential subscription rights, by way of public offer or private placement, within a limit of 10% of the share capital per annum)

The Shareholders' Meeting, ruling under the *quorum* and majority requirements of Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, in accordance with the provisions of Article L. 225-136-1 of the French Commercial Code:

- authorises, under the twenty-second and twenty-third resolutions of this Meeting and within a limit of 10% of the share capital *per annum* and subject to compliance with the ceiling stipulated, as the case may be, in the twenty-second and twenty-third resolutions of this Shareholders' Meeting under which the issue is decided, from which it is deducted, the Board of Directors, with option to sub-delegate in accordance with legal and regulatory requirements, to deviate from the terms and conditions governing price setting provided for in the abovementioned resolutions and determine the issue price as it sees fit, in accordance with the following terms and conditions:

(i) the issue price of the new shares shall be at least equal to (a) the volume-weighted average of the quoted market prices of the share on the 20 trading days preceding the setting of the issue price, or (b) the volume-weighted average of the quoted market prices of the share on the trading day preceding the setting of the issue price, less, in both cases, a potential discount of up to 10% and provided that the amount collected for each share is at least equal to the par value,

(ii) the issue price of the securities giving access to the Company's share capital shall be such that, for each share issued as a result of the issue of said marketable securities, the amount immediately received by the Company, plus any amount it may receive at a later date, shall be at least equal to the issue price defined in the previous paragraph.

In such case, the Board of Directors shall produce an additional report, certified by the Statutory Auditors, describing the terms and conditions of the transaction and providing relevant information to assess its actual impact on the shareholder's position.

The delegation thus granted to the Board of Directors is valid for a period of twenty-six (26) months as from this Shareholders' Meeting and cancels, for the unused portion, the delegation granted by the Combined Shareholders' Meeting of 24 July 2018 under its twenty-sixth resolution.

TWENTY-SIXTH RESOLUTION

Public exchange offer initiated by the Company

TWENTY-SIXTH RESOLUTION

(Delegation to the Board of Directors to issue ordinary shares and/or securities giving access to the share capital and/or securities granting entitlement to the allocation of debt securities, without preferential subscription rights for shareholders, in the event of a public exchange offer initiated by the Company)

The Shareholders' Meeting, ruling under the *quorum* and majority requirements of Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and ruling in accordance with Articles L. 225-129 *et seq.* of the French Commercial Code, in particular Articles L. 225-129 *et seq.* of the French Commercial Code, in particular Articles L. 225-129-2 to L. 225-129-6, L. 225-148, and Articles L. 228-91 and L. 228-92 of the French Commercial Code:

- authorises the Board of Directors, with the option to sub-delegate under the conditions laid down by law and the Company's Articles of Association, to carry out, on one or more occasions, in the proportions and at the times it shall deem appropriate the issue, both in France and abroad of:

(i) ordinary shares in the Company,

(ii) securities of any kind, issued against payment or free of charge, giving immediate or future access, by any means, to shares in the Company, whether existing or to be issued,

in consideration for securities contributed to an offer including an exchange component (on a principal or subsidiary basis) initiated by the Company in France or abroad, under local regulations (including any transaction for which the outcome would be identical or similar to a public exchange offer), on the securities of another company whose shares are traded on one of the regulated markets referred to in aforementioned Article L. 225-148 and resolves, insofar as required, to cancel, in favour of the holders such securities, the shareholders' preferential subscription rights to such shares and securities;

- resolves that the securities issued thereby, giving access to the share capital of the Company, may be debt securities or associated with the issue of such instruments, or allow the issue thereof as intermediate securities, and that debt securities issued under this authorisation may in particular be in the form of subordinate securities or not, with a fixed term or not, and be issued either in euros or any other currency;
- resolves that the maximum nominal amount of the capital increases which could be carried out, immediately or at a later time, under this authorisation, may not exceed fifteen (15) million euros, it being specified that:
  - where applicable, the nominal amount of any capital increases resulting from ordinary shares to be issued in order to maintain the rights of holders of securities conferring access to the share capital of the Company, in accordance with the law and with any applicable contractual provisions, shall be added to this amount,
  - the nominal amount of any capital increase carried out pursuant to this authorisation will be deducted from the fifteen (15) million euros limit set under the twenty-second resolution,
  - the aggregate maximum nominal amount of the capital increases that may be carried out under this resolution, the twenty-first, twenty-second, twenty-third, twenty-seventh and twenty-ninth resolutions submitted to this Shareholders' Meeting may not exceed the twenty (20) million euros limit set under the twenty-first resolution;
- resolves that the maximum nominal amount of the issues of debt securities that may be carried out under this resolution, may not exceed five hundred (500) million euros, or its equivalent value as at the date on which the issue was decided, in the event of an issue in another currency or unit of account established by reference to several currencies, it being specified that this amount is deducted from the total five hundred (500) million euros limit set under the twenty-first resolution;
- duly notes, insofar as required, that this delegation automatically entails, in favour of the holders of securities issued under this resolution giving access to the Company's share capital, the waiver by shareholders of their preferential subscription rights to the shares to which these securities confer entitlement;
- resolves that the Board of Directors may not, without prior approval of the Shareholders' Meeting, make use of these authorisations in the event of a third party filing a public offer for the shares of the Company and until the end of the offer period;
- gives full powers to the Board of Directors, with the option to sub-delegate under the terms and conditions provided by law, to implement this resolution, the purpose of which is in particular (but not limited to) to: set the terms and conditions and implement the public offer(s) under this resolution; record the number of securities exchanged; determine the number and characteristics of the securities that may be issued under this resolution, including in the case of debt securities, their tier, interest rate and the terms and conditions governing the payment of their interest, their issue currency, maturity and the terms and conditions for repayment and amortisation; set the terms, conditions and methods for issues, including the dates; set the dividend entitlement date, which may be retroactive, for securities that may be issued under this resolution; set the terms and conditions under which the Company will, where appropriate, be able to purchase or exchange securities that may be issued under this resolution; suspend, where appropriate, the exercise of rights to the allocation of Company shares attached to the securities, in accordance with the regulations in force; set the procedures for ensuring, where appropriate, the preservation of the rights of holders of securities, in accordance with the regulations in force and the terms and conditions of said securities; where appropriate, change, throughout the life of the securities concerned, the terms and conditions of the securities that may be issued under this resolution, in accordance with the applicable procedures; offset and withdraw any amounts against the share premium(s); and more generally, take all necessary measures, enter into any agreements, obtain any authorisations, perform any formalities and do whatever is required for the successful completion of the contemplated transactions or suspend them and, in particular, record the capital increase(s) resulting, immediately or in future, from any issue carried out under this delegation, make the corresponding amendments to the Articles of Association and request the admission to trading of the securities issued under this resolution wherever it deems appropriate.

The powers thus granted to the Board of Directors are valid for a period of twenty-six (26) months as from this Shareholders' Meeting; said authorisation cancels, for the unused portion of this delegation, any previous authorisation with the same purpose.

TWENTY-SEVENTH RESOLUTION

Issues in consideration for contributions in kind comprising securities of another company, except in the event of a public exchange offer

TWENTY-SEVENTH RESOLUTION

(Delegation to the Board of Directors to issue ordinary shares and/or securities giving access to the share capital in consideration for contributions in kind to the Company, within a limit of 10% of the share capital)

The Shareholders' Meeting, ruling under the *quorum* and majority requirements of Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and ruling in accordance with Articles L. 225-147 and L. 228-91 *et seq.* of the French Commercial Code:

- authorises the Board of Directors, with the option to sub-delegate under the conditions laid down by law and the Company's Articles of Association, to carry out, on one or more occasions, both in France or abroad, in the proportions and at the times it shall deem appropriate, the issue of:

(i) ordinary shares in the Company, or

(ii) securities of any kind, issued against payment or free of charge, giving immediate or future access, by any means, to shares in the Company, whether existing or to be issued,

in consideration for contributions in kind to the Company comprising shares or securities giving access to the share capital of another company, in the event that the provisions of Article L. 225-148 of the French Commercial Code do not apply;

- resolves that the securities issued thereby, giving access to the share capital of the Company, may be debt securities or associated with the issue of such instruments, or allow the issue thereof as intermediate securities, and that debt securities issued under this authorisation may in particular be in the form of subordinate securities or not, with a fixed term or not, and be issued either in euros or any other currency;
- resolves that the total nominal amount of capital increases that may be carried out, immediately and/or at a later time, under this authorisation, may not exceed fifteen (15) million euros, in addition to the statutory limit of 10% of the share capital assessed on the date of the issue decision, it being specified that:
  - where applicable, the nominal amount of any capital increases resulting from ordinary shares to be issued in order to maintain the rights of holders of securities conferring access to the share capital of the Company, in accordance with the law and with any applicable contractual provisions, shall be added to this amount,
  - the nominal amount of any capital increase carried out pursuant to this authorisation will be deducted from the fifteen (15) million euros limit set under the twenty-second resolution,
  - the aggregate maximum nominal amount of the capital increases that may be carried out under this resolution, the twenty-first, twenty-second, twenty-third, twenty-sixth and twenty-ninth resolutions submitted to this Shareholders' Meeting may not exceed the twenty (20) million euros limit set under the twenty-first resolution;
- resolves that the total nominal amount of issues of debt securities that may be carried out may not exceed five hundred (500) million euros, or the equivalent value of this amount as at the date on which the issue was decided, in the event of an issue in another currency or unit of account set by reference to several currencies;
- resolves, insofar as required, to cancel the shareholders' preferential subscription rights in respect of the shares or securities that may be thus issued, in favour of the holders of shares or securities representing contributions in kind;
- duly notes, insofar as required, that this delegation automatically entails, in favour of the holders of securities issued under this resolution giving access to the Company's share capital, the waiver by shareholders of their preferential subscription rights to the shares to which these securities confer entitlement;
- resolves that the Board of Directors may not, without prior approval of the Shareholders' Meeting, make use of these authorisations in the event of a third party filing a public offer for the shares of the Company and until the end of the offer period;
- gives full powers to the Board of Directors, with the option to sub-delegate under the terms and conditions provided by law, to implement this resolution, the purpose of which is in particular (but not limited to) to: rule on the valuation of the contributions and, where applicable, the granting of specific benefits and their value; set the terms, conditions and procedures, including the dates, of the issues; determine the number and characteristics of the securities that may be issued under this resolution, including, in the case of debt securities, their tier, interest rate and the terms and conditions governing the payment of interest, their issue currency, maturity and the terms and conditions for redemption and amortisation; set the date of entitlement to dividends, which may even be retroactive, of securities that may be issued under this resolution; set the conditions under which the Company will, where applicable, be able to purchase or exchange the securities that may be issued under this resolution; suspend, where applicable, the exercise of rights to the allocation of Company shares attached to the securities, in accordance with the regulations in force; set the procedures for ensuring, where applicable, the preservation of the rights of holders of securities, in accordance with the regulations in force and the terms and conditions of said securities; where applicable, change, throughout the life of the securities in question, the terms and conditions of the securities that may be issued under this resolution, in accordance with the applicable procedures; carry out withdrawals from or offset any amounts against the share premium(s); and, more generally, take all necessary measures, enter into any agreements, obtain any authorisations, perform any formalities and do whatever is necessary for the completion of the contemplated issues or suspend them and, in particular, record the capital increase(s) resulting immediately, or in the future, from any issue carried out under this delegation, make the corresponding amendments to the Articles of Association and request the admission to trading of the securities issued under this resolution wherever it deems appropriate.

The delegation thus granted to the Board of Directors is valid for a period of twenty-six (26) months as from this Shareholders' Meeting and cancels, for the unused portion, the delegation granted by the Combined Shareholders' Meeting of 24 July 2018 under its twenty-eighth resolution.

TWENTY-EIGHTH RESOLUTION

Capital increase by incorporation of reserves, profits or premiums

TWENTY-EIGHTH RESOLUTION

(Authorisation for the Board of Directors to increase the share capital by incorporation of reserves, profits or premiums)

The Shareholders' Meeting, ruling under the *quorum* and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report, in accordance with the provisions of Articles L. 225-129, L. 225-129-2 and L. 225-130 of the French Commercial Code:

- authorises the Board of Directors, with the option to sub-delegate under the conditions laid down by law and the Articles of Association, to increase the share capital, within a maximum nominal amount of twenty (20) million euros, on one or more occasions, in the proportions and at the times it shall deem appropriate, through the successive or simultaneous incorporation of all or part of the reserves, profits or premiums, or any other capitalisable amount permitted by law or the Articles of Association, through the creation and award of bonus shares or an increase in the par value of the shares, or a combination of both methods. The ceiling for this delegation is autonomous and separate from those of other capital increases that may result from issues of ordinary shares or securities giving access to the capital, authorised by other resolutions submitted to this Shareholders' Meeting where applicable, the nominal value of ordinary shares to be issued in order to maintain the rights of holders of securities or other rights conferring access to the share capital of the Company, in accordance with the law and with any applicable contractual provisions, shall be added to this ceiling;

- resolves that rights giving rise to fractional shares shall be neither tradable nor transferrable and that the corresponding shares shall be sold, the amounts resulting from the sale being allocated to the holders of rights in accordance with applicable legal and regulatory requirements;
- resolves that the Board of Directors may not, without prior approval of the Shareholders' Meeting, make use of these authorisations in the event of a third party filing a public offer for the shares of the Company and until the end of the offer period.

The Shareholders' Meeting grants the Board of Directors, in particular, but without being limited to, full authority, with the option to sub-delegate in accordance with legal requirements, if this authorisation is used, and in particular:

- to determine the terms and conditions of the authorised transactions, and in particular to set the amount and the nature of amounts to be capitalised, set the number of new shares to be issued or the amount by which the existing par value of the shares comprising the share capital will be increased, set the date, which may even be retroactive, from which the new shares will carry dividend rights or the date from which the increased par value will become effective;
- to decide, in the event of the distribution of bonus shares, that fractional rights shall not be negotiable and that the corresponding shares shall be sold under the provisions provided by applicable regulations and that the amounts resulting from the sale shall be allocated to the holders of rights, no later than 30 days after the whole number of shares awarded to them has been recorded in their account;
- to make any adjustments required by law and regulations, and, where applicable, contractual provisions providing for other cases of adjustment, to preserve the rights of holders of securities or other rights giving access to the share capital;
- to record the completion of each capital increase and amend the Company's Articles of Association accordingly;
- to take all necessary measures, enter into any agreements required for the successful completion of the contemplated transactions and, more generally, do all that is necessary, perform all acts and formalities required in order to finalise the capital increase(s) that may be conducted pursuant to this authorisation.

The delegation thus granted to the Board of Directors is valid for a period of twenty-six (26) months as from this Shareholders' Meeting and cancels, for the unused portion, the delegation granted by the Combined Shareholders' Meeting of 24 July 2018 under its twenty-ninth resolution.

TWENTY-NINTH RESOLUTION

Authorisation to increase the share capital for employees

EXPLANATORY STATEMENT

Under the twenty-ninth resolution, which is submitted for your approval, you are asked to renew the authorisation granted to the Board of Directors, for a period of twenty-six months and within the limit of one million five hundred thousand (1,500,000) euros, or 1.86% of the share capital, to carry out one or several capital increases reserved for Rémy Cointreau Group employees who are members of the Group's savings plan (PEE/PEG).

The subscription price may be set by applying the maximum legal discount on the market price, subject to a retention period for the shares. The Company believes that it is important to allow employees to participate in the success of the Group, in which they are the key players. Employee saving plans and capital increases reserved for employees would enable them to build savings and be directly associated with the Group's performance, which helps to increase their engagement and motivation.

In accordance with Article L. 3332-19 of the French Labour Code, the subscription price will be equal to the average share price quoted on the Euronext Paris Eurolist market during the twenty trading days preceding the day on which the opening date of the subscription period is set, less a maximum discount of 20% (30% if the lock-up period stipulated in the plan is greater than or equal to ten years).

TWENTY-NINTH RESOLUTION

(Authorisation to the Board of Directors to carry out a capital increase reserved for employees of the Company or associated companies, without shareholders' preferential subscription rights)

The Shareholders' Meeting, ruling under the *quorum* and majority requirements of Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and ruling in accordance with the legal provisions applicable to commercial companies, in particular Articles L. 225-129-2, L. 225-129-6 and L. 225-138-1 of the French Commercial Code on the one hand, and Articles L. 3332-18 *et seq.* of the French Labour Code, on the other hand:

- authorises the Board of Directors, with the option to sub-delegate under the conditions laid down by law and the Company's Articles of Association, to decide on and carry out, based solely on its own decisions, in the proportions and at the times it shall deem appropriate, one or several capital increases, through the issue against payment or free of charge, of ordinary shares and securities conferring immediate or future access to the Company's share capital;
- resolves that the beneficiaries of the capital increases, eligible pursuant to this resolution, will be members of a Group or Company savings plan of the Company or associated French and international companies, within the meaning of Article 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labour Code, who also meet any conditions set by the Board of Directors;
- resolves that the maximum nominal amount of the capital increases which could be carried out, immediately or at a later time, under this authorisation may not exceed one million five hundred thousand (1,500,000) euros, it being specified that:
  - where applicable, the nominal amount of any capital increases resulting from ordinary shares to be issued in order to maintain the rights of holders of securities conferring access to the share capital of the Company, in accordance with the law and with any applicable contractual provisions, shall be added to this amount,
  - the nominal amount of any capital increase carried out pursuant to this authorisation will be deducted from the fifteen (15) million euros limit set under the twenty-second resolution,
  - the aggregate maximum nominal amount of the capital increases that may be carried out under this resolution, the twenty-first, twenty-second, twenty-third, twenty-sixth and twenty-seventh resolutions submitted to this Shareholders' Meeting may not exceed the twenty (20) million euros limit set under the twenty-first resolution;
- resolves that subscriptions may be paid in cash, in particular they may be offset against certain liquid, payable debt, or through the capitalisation of reserves, profits or share premiums in the case of grant of bonus shares or other securities conferring access to the share capital in respect of the discount and/or additional contribution;
- resolves to cancel, for the benefit of the aforementioned beneficiaries, shareholders' preferential subscription rights to ordinary shares issued pursuant to this resolution and to waive any entitlement to ordinary shares or other securities that may be issued pursuant to this resolution, shareholders furthermore waiving, in the case of a grant of bonus shares which may be issued pursuant to the next paragraph, all rights to said shares, including the part of the reserves, profits or premiums so capitalised;
- resolves that the Board of Directors may, in accordance with the provisions of Article L. 3332-21 of the French Labour Code, carry out grants for the aforementioned beneficiaries, of bonus shares or other securities giving immediate or future access to the Company's share capital, in respect of the additional contribution that may be paid out pursuant to the regulations of the savings plan(s), or in respect of the discount, provided that, after taking into account their equivalent monetary value, assessed on the basis of the subscription price, this does not result in exceeding the legal or statutory limits;

- resolves that:
  (i) the subscription price of the ordinary shares may not exceed the average share price quoted over the twenty trading days preceding the day on which the opening date of the subscription period was set by the Board of Directors, nor may it be more than 20% lower than this average, or 30% lower in the event that the lock-up period stipulated in the plan, in accordance with Articles L. 3332-25 and L. 3332-26 of the French Labour Code, is greater than or equal to ten years,
  (ii) the characteristics of the issues of other securities giving access to the capital of the Company shall be determined by the Board of Directors under the conditions provided by the regulations;
- resolves that the Board of Directors will have full powers, with the option to sub-delegate under the terms and conditions provided by law and the Company's Articles of Association, to implement this delegation, the purpose of which is in particular (but not limited to) to: decide and set the terms and conditions for the issue and grant of bonus shares or other securities giving access to the share capital, in application of the authorisation granted above, as well as, where applicable, suspension thereof; set the terms, conditions and procedures, including the dates, of the issues; determine the number and characteristics of the securities that may be issued under this resolution; set the dividend entitlement date, which may be retroactive, for shares that may be issued under this resolution; set the conditions under which the Company will, where appropriate, be able to purchase or exchange the securities that may be issued under this resolution; suspend, where applicable, the exercise of rights to the allocation of Company shares attached to the securities, in accordance with the regulations in force; set the procedures for ensuring, where applicable, the preservation of the rights of holders of securities, in accordance with the regulations in force and the terms and conditions of said securities; where applicable, change, throughout the life of the securities in question, the terms and conditions of the securities that may be issued under this authorisation, in accordance with the applicable procedures; carry out withdrawals from or offset any amounts against the share premium(s), including issuance costs; and, more generally, take all necessary measures, enter into any agreements, obtain any authorisations, perform any formalities and do whatever is necessary for the completion of the contemplated issues or suspend them and, in particular, record the capital increase(s) resulting immediately, or in the future, from any issue carried out under this delegation, make the corresponding amendments to the Articles of Association and request the admission to trading of the securities issued under this resolution wherever it deems it appropriate.

The powers thus granted to the Board of Directors are valid for a period of twenty-six (26) months as from this Shareholders' Meeting and cancel, for the unused portion, the authorisation granted by the Combined Shareholders' Meeting of 24 July 2018 under its thirty-second resolution.

THIRTIETH RESOLUTION

Powers to accomplish formalities

EXPLANATORY STATEMENT

The thirtieth resolution is a standard resolution granting powers necessary to proceed with publication and other legal formalities.

THIRTIETH RESOLUTION

(Powers to accomplish formalities)

The Shareholders' Meeting confers all powers to accomplish all legal filing and public notice formalities to the bearer of a copy or a certified excerpt of these minutes.

We ask you to vote in favour of the resolutions put to you.

The Board of Directors

8.2 Statutory Auditors' report on the share capital reduction

Combined Shareholders' Meeting of 23 July 2020 – Twentieth resolution

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Rémy Cointreau and in accordance with the provisions of Article L. 225-209 of the French Commercial Code (*Code de commerce*), applicable in the event of a share capital reduction via the cancellation of treasury shares, we hereby report to you on our assessment of the reasons for and the terms and conditions of the proposed share capital reduction.

The Board of Directors is seeking an 18-month authorisation, as from the date of this Combined Shareholders' Meeting, to cancel, for a up to a maximum of 10% of the share capital per 24-month period, the shares bought back by the Company pursuant to an authorisation to buy back its own shares in accordance with the provisions of the aforementioned article.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the reasons for and the terms and conditions of the proposed share capital reduction, which is not considered to affect shareholder equality, comply with the applicable legal provisions.

We have no matters to report on the reasons for and the terms and conditions of the proposed share capital reduction.

Paris and Neuilly-sur-Seine, 29 June 2020

The Statutory Auditors

PricewaterhouseCoopers Audit	Auditeurs et Conseils Associés Aca Nexia
Olivier Auberty	François Mahé

8.3 Statutory Auditors' report on the issue of shares and securities with and/or without preferential subscription rights for shareholders

Combined Shareholders' Meeting of 23 July 2020 - Twenty-first, twenty-second, twenty-third, twenty-fourth, twenty-fifth, twenty-sixth and twenty-seventh resolutions

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Rémy Cointreau (the "Company"), and in accordance with Articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposed delegations of authority to the Board of Directors to issue shares and/or securities, which are submitted to you for approval.

On the basis of its report, the Board of Directors is seeking:

- a 26-month delegation of authority, from the date of this Meeting, to carry out the following transactions and determine the final terms and conditions of the related issues and, if necessary, to waive their preferential subscription rights for:
  - the issue, with preferential subscription rights for shareholders, both in France or abroad, in euros or any other currency (including any other unit of account determined by reference to a basket of currencies) (twenty-first resolution) of:
    (a) ordinary shares in the Company;
    (b) securities of any kind, issued against payment or free of charge, giving immediate or future access, by any means, to shares in the Company, whether existing or to be issued; or
    (c) securities of any kind, issued against payment or free of charge, giving immediate or future access, by any means, to shares, whether existing or to be issued, in a company of which it directly or indirectly holds more than half of the share capital ("a Subsidiary");
  - the issue, without preferential subscription rights for shareholders, both in France or abroad, in euros or any other currency (including any other unit of account determined by reference to a basket of currencies), by way of a public offer as defined in (EU) Regulation no. 2017/1129 of 14 June 2017 (twenty-second resolution) of:
    (a) ordinary shares in the Company;
    (b) securities of any kind, issued against payment or free of charge, giving immediate or future access, by any means, to shares in the Company, whether existing or to be issued; or
    (c) securities of any kind, issued against payment or free of charge, giving immediate or future access, by any means, to shares, whether existing or to be issued, in a company in which it directly or indirectly holds more than half of the share capital ("a Subsidiary");
  - the issue, without preferential subscription rights for shareholders, both in France or abroad, in euros or any other currency (including any other unit of account determined by reference to a basket of currencies), by way of an offer carried out under a private placement within the meaning of paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code (*Code monétaire et financier*) (twenty-third resolution) of:
    (a) ordinary shares in the Company;
    (b) securities of any kind, issued against payment or free of charge, giving immediate or future access, by any means, to shares in the Company, whether existing or to be issued; or
    c) securities of any kind, issued against payment or free of charge, giving immediate or future access, by any means, to shares, whether existing or to be issued, in a company of which it directly or indirectly holds more than half of the share capital ("a Subsidiary");

- the issue, in the event of a public exchange offer initiated by the Company in France or abroad, under local regulations (including any transaction for which the outcome would be identical or similar to a public exchange offer), on the securities of another company whose shares are traded on one of the regulated markets referred to in aforementioned Article L. 225-148 and, insofar as required, to cancel, in favour of the holders such securities, the shareholders' preferential subscription rights to such shares and securities (twenty-sixth resolution) of:
  - (a) ordinary shares in the Company;
  - (b) securities of any kind, issued against payment or free of charge, giving immediate or future access, by any means, to shares in the Company, whether existing or to be issued;
- an authorisation, pursuant to the twenty-fifth resolution, within the framework of the delegation of authority conferred in the twenty-second and twenty-third resolutions, to set the issue price within a limit of 10% of the share capital *per annum*;
- a 26-month delegation of authority to issue:
  - (a) ordinary shares;
  - (b) securities of any kind, issued against payment or free of charge, giving immediate or future access, by any means, to shares in the Company, whether existing or to be issued,
  - as consideration for contributions in kind to the Company comprising shares or securities giving access to the share capital within the limit of 10% of the share capital (twenty-seventh resolution).

According to the twenty-first resolution, the aggregate nominal amount of capital increases that may be carried out, immediately or in the future under the twenty-first, twenty-second, twenty-third, twenty-sixth and twenty-seventh resolutions of this Meeting, may not exceed €20,000,000, it being specified that the nominal amount of the immediate or future capital increases may not:

- under each of the twenty-third and twenty-seventh resolutions, exceed 10% of the existing share capital over a 12-month period;
- under the twenty-second resolution, exceed €15,000,000 pursuant to the twenty-second, twenty-third, twenty-sixth and twenty-seventh resolutions.

According to the twenty-first resolution, the aggregate nominal amount of the debt securities that may be issued pursuant to the twenty-first, twenty-second, twenty-third, twenty-sixth and twenty-seventh resolutions may not exceed €500,000,000.

These ceilings take into account the additional securities to be issued in connection with the application of the delegations of authority granted under the twenty-first, twenty-second and twenty-third resolutions in accordance with Article L. 225-135-1 of the French Commercial Code, in the event the shareholders adopt the twenty-fourth resolution.

It is the Board of Directors' responsibility to prepare a report in accordance with Articles R. 225-113 *et seq.* of the French Commercial Code. It is our responsibility to express an opinion on the fairness of the information taken from the financial statements, on the proposed cancellation of the shareholders' preferential subscription rights and on certain other information relating to these transactions, presented in this report.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying the information disclosed in the Board of Directors' report pertaining to the transactions and the methods used to set the issue price of the securities to be issued.

Subject to a subsequent examination of the terms and conditions of any proposed issues, we have no matters to report as regards the methods used to set the issue price of the securities to be issued as described in the Board of Directors' report in respect of the twenty-second, twenty-third and twenty-fifth resolutions.

In addition, as this report does not stipulate the methods used to set the issue price in the event that securities are issued pursuant to the twenty-first, twenty-sixth and twenty-seventh resolutions, we do not express an opinion on the choice of components used to calculate this issue price.

Since the final terms and conditions of the issues have not been set, we do not express an opinion in this respect or, consequently, on the cancellation of shareholders' preferential subscription rights proposed in the twenty-second and twenty-third resolutions.

In accordance with Article R. 225-116 of the French Commercial Code, we will prepare an additional report if and when the Board of Directors uses these delegations of authority to issue securities giving access to new or existing shares or to debt securities, or to issue securities giving access to shares to be issued or to issue shares without preferential subscription rights.

Neuilly-sur-Seine and Paris, 29 June 2020

The Statutory Auditors

PricewaterhouseCoopers Audit	Auditeurs et Conseils Associés Aca Nexia
Olivier Auberty	François Mahé

8.4 Statutory Auditors' report on the share capital increase reserved for members of a Company savings plan

Combined Shareholders' Meeting of 23 July 2020 – Twenty-ninth resolution

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Rémy Cointreau and in accordance with Articles L. 225-135 *et seq*. of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposed authorisation to the Board of Directors to decide to carry out a share capital increase through the issue of ordinary shares, without shareholders' preferential subscription rights, reserved for members of a Company or Group savings plan of the Company or French or international companies associated with the Company within the meaning of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labour Code (*Code du travail*), for a maximum of €1,500,000, which is submitted to you for approval.

The share capital increase is submitted to you for approval in accordance with the provisions of Article L. 225-129-6 of the French Commercial Code and Articles L. 3332-18 *et seq.* of the French Labour Code.

On the basis of its report, the Board of Directors is seeking a 26-month authorisation to decide to carry out a share capital increase and to cancel the shareholders' preferential subscription rights to the ordinary shares to be issued. Where applicable, the Board of Directors will set the final terms and conditions of the issue.

It is the Board of Directors' responsibility to prepare a report in accordance with Articles R. 225-113 and R. 225-114 of the French Commercial Code. It is our responsibility to express an opinion on the fairness of the information taken from the financial statements, on the proposed cancellation of shareholders' preferential subscription rights and on certain other information relating to the issue, presented in this report.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying the information contained in the Board of Directors' report relating to the transaction and the methods used to set the issue price of the shares.

Subject to a subsequent examination of the terms and conditions of the proposed share capital increase, we have no matters to report as regards the methods used to set the issue price of the ordinary shares to be issued given in the Board of Directors' report.

Since the final terms and conditions of the issue have not been set, we do not express an opinion in this respect or, consequently, on the proposed cancellation of shareholders' preferential subscription rights.

In accordance with Article R. 225-116 of the French Commercial Code, we will prepare an additional report if and when the Board of Directors uses this authorisation.

Paris and Neuilly-sur-Seine

The Statutory Auditors

PricewaterhouseCoopers Audit	Auditeurs et Conseils Associés Aca Nexia
Olivier Auberty	François Mahé

8.5 Statutory Auditors' special report on related-party agreements

Shareholders' Meeting called to approve the financial statements for the year ended 31 March 2020

This is a free translation into English of the Statutory Auditors' special report on related-party agreements issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Rémy Cointreau, we report to you on related-party agreements.

We are required to inform you, on the basis of the information provided to us, of the main terms and conditions of agreements that have been disclosed to us or that we may have identified in the performance of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. It is your responsibility, in accordance with the terms of Article R. 225-31 of the French Commercial Code (*Code de commerce*), to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide you with the information required by Article R. 22531 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information provided to us is consistent with the underlying documentation.

1. Agreements submitted for approval by the Shareholders' Meeting

1.1. AGREEMENTS AUTHORISED AND CONCLUDED DURING THE YEAR

Pursuant to Article L. 225-40 of the French Commercial Code, we have been advised of the following agreements concluded during the year which were authorised in advance by your Board of Directors.

1.1.1. Collective supplementary pension plan of Eric Vallat

Person concerned:

Eric Vallat, Chief Executive Officer of Rémy Cointreau.

Nature and purpose, and terms and conditions:

Eric Vallat, Chief Executive Officer, benefits from a collective supplementary pension plan authorised by the Board of Directors on 26 November 2019, which includes (i) a collective defined contribution pension plan and (ii) a collective defined benefit pension plan. The Company's commitment is limited to the payment of the contribution to the insurance company that manages the plan.

- Defined contribution pension plan: its amount represents 8% of the annual remuneration which does not exceed eight times the annual social security ceiling.

  For the year ended 31 March 2020, the contributions paid by the Company to the insurer amounted to €8,743.

- Defined benefit pension plan: this plan provides for the payment of an annuity of 8% to 15% of the average annual gross remuneration for the last two years of activity according to seniority, subject to his continued service at the Company at the time of his retirement. It is capped to ensure that the total amount of replacement income received equals no more than 50% of the remuneration received while in service.

  The Pacte Law of 22 May 2019 and the French government order of 4 July 2019 provided for the closure of the existing "Article 39" defined benefit pension plans for executives. Therefore, these plans were closed to new entrants on 4 July 2019.

  The law also provides for the establishment of a new defined benefit pension plan, pursuant to decree that has not been published.

  Eric Vallat may benefit from this plan once it has been set up by the Group with retroactive effect from 1 January 2020.

  Upon his appointment as Chief Executive Officer, in order to subject the accrual of additional pension rights under this defined benefit plan to performance conditions in accordance with the provisions of Article L.225- 42-1 of the French Commercial Code, the Board of Directors decided that the performance criteria would be aligned with those of the annual variable portion of the Chief Executive Officer's remuneration (financial portion and individual portion).

  The Board of Directors will have to review this system when the Group implements the new plan. The above performance conditions may be revised and will be submitted for approval at a future Shareholders' Meeting.

Reasons why the agreement is beneficial for the Company:

The Board of Directors wanted Eric Vallat to benefit from the collective defined benefit pension plan applicable in the Group.

The performance conditions applicable to the commitment relating to the defined benefit pension in favour of Eric Vallat from 1 January 2020, are in accordance with market practices where such plans are used.

1.1.2. Life and disability policy (death, disability and incapacity for work) and health care plans for Eric Vallat

Person concerned:

Eric Vallat, Chief Executive Officer of Rémy Cointreau.

Nature and purpose:

Eric Vallat, Chief Executive Officer, benefits from the collective life and disability policy (death, disability and incapacity for work) and health care plans set up within the Group for all employees.

Terms and conditions:

These plans include (i) a life and disability policy (death, disability and incapacity for work) and (ii) a health care plan. The Company's commitment is limited to the payment of the contribution to the insurance company that manages the plan.

- Life and disability policy (death, disability and incapacity for work): the remuneration used for the calculation of contributions is limited to eight times the annual social security ceiling. The employer contribution rate is 1.97% on bracket A and 2.25% on brackets B and C, subject to subsequent developments which may occur in application of contractual provisions.
- Health care plan: the remuneration used for the calculation of contributions is limited to once the annual social security ceiling. The employer contribution rate is 2.67% on bracket A, subject to subsequent developments which may occur in application of contractual provisions.

For the year ended 31 March 2020, the contributions paid by the Company to the insurer amounted to €2,785.

Reasons why the agreement is beneficial for the Company:

The Board of Directors wished for Eric Vallat to benefit from the life and disability policy and health care plans applicable in the Group.

1.1.3. Termination and non-compete indemnities for Eric Vallat

Person concerned:

Eric Vallat, Chief Executive Officer of Rémy Cointreau.

Nature, purpose and terms and conditions:

On 26 November 2019, the Board of Directors approved the related-party commitments made by the Company corresponding to the indemnities payable to Eric Vallat in the event of his termination.

These indemnities include:

- a termination payment of a maximum of 24 months of gross fixed and variable remuneration, subject to performance conditions;
- compensation payable under the non-compete clause, corresponding to 12 months of gross fixed and variable remuneration.

The total amount of the termination and non-compete indemnities is limited to 24 months' remuneration.

The termination payment will only be made in the event of forced departure. It will not be due where there are serious grounds or misconduct or in the event of business failure.

In the event of business failure, the Board of Directors may be fully or partially exempt from paying the termination benefit. The business situation will be assessed based on the results measured at the end of the previous two financial years. The business is deemed to have failed if the aggregate operating profit for the previous two financial years is less than €250 million.

The payment is subject to the following performance criteria:

- Quantitative performance criteria

  If the quantitative results, validated by the Board of Directors and serving as a basis for the calculation of the bonus of Executive Committee members, are less than 75% of the budgetary targets, no compensation will be payable.

  If the quantitative results, validated by the Board of Directors and serving as a basis for the calculation of the bonus of Executive Committee members, equal 75% or more of the budgetary targets, the compensation paid will be equivalent to 24 months' gross remuneration multiplied by the percentage used (maximum 100%). For example, if the percentage used is 87.5%, the compensation will be equal to 21 months. The percentage used to calculate the compensation is the average percentage of the previous two financial years.
- Qualitative performance criterion

  The Board of Directors may adjust the amount of the bonus, expressed as a percentage of gross annual remuneration and calculated according to the quantitative criteria, based on the results measured against a qualitative criterion. For this, the Board takes into consideration the Company's corporate social responsibility rating with the Vigéo ratings agency (or another similar agency). The final compensation amount is limited to 24 months' remuneration as defined above.

Reasons why the agreement is beneficial for the Company

Termination pay is intended to protect executives in the event of forced departure of members of the executive team. The non-compete clause aims to protect the Group in the event of the departure of any executive officer.

These terms were determined to take into account the Afep-Medef corporate governance code and market practice concerning non-compete clauses and termination payments.

2. Agreements already approved by the Shareholders' Meeting

2.1. AGREEMENTS APPROVED IN PRIOR YEARS THAT REMAINED IN FORCE DURING THE YEAR

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements, previously approved by the Shareholders' Meeting in prior years, remained in force during the year.

2.1.1. Current account agreement between Rémy Cointreau and Orpar

Persons concerned:

Marc Hériard Dubreuil, Chairman of the Board of Directors of Rémy Cointreau and Vice Chairman and member of the Board of Directors of Orpar; François Hériard Dubreuil, Chairman and Chief Executive Officer of Orpar and member of the Board of Directors of Rémy Cointreau; Dominique Hériard Dubreuil, member of the Board of Directors of Rémy Cointreau and of Orpar; Gisèle Durand, permanent representative of Orpar, member of the Board of Directors and the controlling company.

Nature and purpose:

On 27 March 2018, the Board of Directors authorised the renewal of a current account agreement between Rémy Cointreau and Orpar, initially concluded on 31 March 2015.

Terms and conditions:

Under the current account agreement entered into on 31 March 2018, Orpar agreed to provide €60 million to Rémy Cointreau from 7 April 2018, at an interest rate of 0.60% *per annum* and for a maximum period of three years.

During the year ended 31 March 2020, Orpar requested that Rémy Cointreau make a partial refund of €20 million. The interest expense incurred by Rémy Cointreau under this agreement came to €235,726.

2.1.2. Service provision agreement between Rémy Cointreau and Andromède

Persons concerned:

Marc Hériard Dubreuil, Chairman of the Board of Directors of Rémy Cointreau and Chief Executive Officer of Andromède; Marie-Amélie Jacquet, member of the Board of Directors of Rémy Cointreau and Deputy Chief Executive Officer of Andromède; François Hériard Dubreuil, Chairman of the Board of Directors of Andromède and member of the Board of Directors of Rémy Cointreau; Dominique Hériard Dubreuil, member of the Board of Directors of Rémy Cointreau and of Andromède.

Nature and purpose:

Andromède and Rémy Cointreau signed a service provision agreement on 31 March 2011 under which Andromède provides Rémy Cointreau with services in the field of strategy and finance management, institutional and commercial relations, development and external growth, and organisation and management of senior executives. This agreement was approved for an open-ended term from 1 April 2015.

Terms and conditions:

The agreement provides for annual fees calculated on the basis of the cost borne, plus a 5% margin.

During the year ended 31 March 2020, Andromède charged Rémy Cointreau €2,736,771 (excluding tax) under this agreement.

2.1.3. CASH MANAGEMENT AGREEMENT BETWEEN RÉMY COINTREAU AND ORPAR

Persons concerned:

Marc Hériard Dubreuil, Chairman of the Board of Directors of Rémy Cointreau and Vice Chairman and member of the Board of Directors of Orpar; François Hériard Dubreuil, Chairman and Chief Executive Officer of Orpar and member of the Board of Directors of Rémy Cointreau; Dominique Hériard Dubreuil, member of the Board of Directors of Rémy Cointreau and of Orpar; Gisèle Durand, permanent representative of Orpar, member of the Board of Directors and the controlling company.

Nature and purpose:

Rémy Cointreau and Orpar entered into an open-ended cash management agreement on 14 December 2004, under which they agreed the terms for the management of their cash surpluses.

An amendment made on 4 July 2007, approved by the Board of Directors on 5 June 2007, also mentions the conditions for revising the remuneration calculated based on Euribor, plus a margin determined according to the syndicated loan terms applicable to Rémy Cointreau.

A second amendment made on 8 June 2016, authorised by the Board of Directors on 7 June 2016, specifies the methods for calculating interest.

Terms and conditions:

The agreement defines the interest payable on the advances granted by Orpar to Rémy Cointreau, calculated based on Euribor, plus a margin determined according to the syndicated loan terms applicable to Rémy Cointreau.

At 31 March 2020, the balance of the advances granted by Orpar to Rémy Cointreau came to €703.22. The interest expense incurred by Rémy Cointreau during the year, calculated on the basis of the daily outstanding balance, came to €3.45.

2.1.4. Collective supplementary pension plan of Valérie Chapoulaud-Floquet

Person concerned:

Valérie Chapoulaud-Floquet, Chief Executive Officer of Rémy Cointreau.

Nature, purpose and terms and conditions:

Valérie Chapoulaud-Floquet, Chief Executive Officer, benefited until 30 November 2019 from a collective supplementary pension plan which includes (i) a collective defined contribution pension plan and (ii) a collective defined benefit pension plan. The Company's commitment is limited to the payment of the contribution to the insurance company that manages the plan.

- Defined contribution pension plan: the amount of the plan represents 8% of the annual remuneration which does not exceed eight times the annual social security ceiling.

  For the year ended 31 March 2020, the contributions paid by the Company to the insurer amounted to €17,290.

- Defined benefit pension plan: the plan provides for the payment of an annuity of 8% to 15% of the average annual gross remuneration for the last two years of activity according to seniority, subject to her continued service at the Company at the time of her retirement. It is capped to ensure that the total amount of replacement income received equals no more than 50% of the remuneration received while in service.

  The annuity will only be payable when the beneficiary is entitled to retire and receive her statutory pension under the French general social security regime, provided that the beneficiary has certified on her honour that she has not taken up any other professional activity since the termination of her employment contract with the Rémy Cointreau Group.

  The Pacte Law of 22 May 2019 and the French government order of 4 July 2019 provided for the closure of the existing "Article 39" defined benefit pension plans for executives within Rémy Cointreau. Therefore, the plans were closed to new entrants (since 4 July 2019) and the rights of the existing beneficiaries were crystallised. Thus, the rights that had already accrued to Valérie Chapoulaud-Floquet under the plan were crystallised on 30 November 2019, taking into account the accrual of additional pension rights subject to performance conditions identical to the performance conditions of the variable portion of her remuneration, in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code.

  On 4 June 2019, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, decided that rights would accrue subject to performance conditions aligned with those of the annual variable portion of the Chief Executive Officer's remuneration (financial portion and individual portion).

  For the rights granted for the period from 1 April 2019 to 30 November 2019, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, estimated on 3 June 2020 that the degree of achievement of the quantitative criteria was 0% and the degree of achievement of the qualitative criteria was 60%, such that the increase for the year ended 31 March 2020 is 1%, as the cumulative performance of the above criteria was between 50% and 90%.

2.1.5. Termination and non-compete indemnities for Valérie Chapoulaud-Floquet

Person concerned:

Valérie Chapoulaud-Floquet, Chief Executive Officer of Rémy Cointreau.

Nature, purpose and terms and conditions:

On the renewal of her term of office as Chief Executive Officer and in accordance with Article L. 225-42-1 of the French Commercial Code, the Board of Directors decided on 17 January 2018, on the proposal of the Nomination and Remuneration Committee, to renew the indemnities payable to Valérie Chapoulaud-Floquet in the event of her termination.

These indemnities include:

- a termination payment of a maximum of 24 months of gross fixed and variable remuneration, subject to performance conditions;
- compensation payable under the non-compete clause, corresponding to 12 months of gross fixed and variable remuneration.

Valérie Chapoulaud-Floquet has left office for personal reasons. As her departure was not a forced departure, she did not receive any termination pay. In this specific case, the Board of Directors must nevertheless decide on the waiver of the non-compete clause.

At its meeting on 23 July 2019, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, decided to indemnify the Chief Executive Officer under the non-compete clause, taking the opinion that her recognised talents could be used by a competing company.

Valérie Chapoulaud-Floquet is bound by a non-compete obligation for a period of 12 months, under which she will receive a non-compete indemnity equal to 12 months of her annual fixed and variable remuneration, i.e. a total of €1,579,883.

2.1.6. Life and disability policy (death, disability and incapacity for work) and health care plans for Valérie Chapoulaud-Floquet

Valérie Chapoulaud-Floquet benefited until 30 November 2019 from the collective life and disability policy (death, disability and incapacity for work) and health care plans set up within the Group for all employees. The Company's commitment is limited to the payment of the contribution to the insurance company that manages the plan.

For the year ended 31 March 2020, the contributions paid by the Company to the insurer amounted to €5,509.

Paris and Neuilly-sur-Seine, 29 June 2020

The Statutory Auditors

PricewaterhouseCoopers	Auditeurs et Conseils Associés Aca Nexia Audit
Olivier Auberty	François Mahé

8


ST-RÉMY
DISTILLATEUR FRANÇAIS DEPUIS 1886
EXTRA OLD
XO
FRENCH BRANDY FRANÇAIS
LE BRANDY SO FRENCH
SINCE 1886

9

ADDITIONAL INFORMATION

9.1 General information about the Company

CORPORATE NAME, REGISTERED OFFICE AND MAIN ADMINISTRATIVE OFFICE

Corporate name: Rémy Cointreau

Registered office: rue Joseph Pataa (formerly rue de la Champagne), 16100 Cognac

Administrative office: 21, boulevard Haussmann, 75009 Paris

Website: www.remy-cointreau.com

Telephone: +33 (0)1 44 13 44 13

LEGAL FORM, GOVERNANCE AND APPLICABLE LEGISLATION

Société anonyme (French limited liability company) with a Board of Directors governed by French law (in particular by the provisions of Book II of the French Commercial Code applicable to commercial companies) and by its Articles of Association.

Rémy Cointreau SA (hereinafter called "Rémy Cointreau" or "the Company") is a company subject to French law.

DATE ESTABLISHED – DURATION

The Company was established on 3 March 1975 and will end on 30 September 2073.

CORPORATE PURPOSE

Rémy Cointreau's purpose pursuant to Article 2 of its Articles of Association is as follows:

- the creation, acquisition and operation of any commercial, industrial or other business;
- the direct or indirect equity investments of the Company, in any form whatsoever, in any company, association, business or grouping of any form whose object is a commercial, industrial, agricultural, real estate, design, research or development activity, or the acquisition, management or exploitation of all property or rights;
- the paid provision of qualified services in technical, commercial, administrative or financial fields, to any natural person or legal entity engaged in commercial, financial or industrial activities in France or other countries; and
- in general, any commercial, financial, industrial, property or real estate transaction which is directly or indirectly related, in whole or in part, to the aforementioned objects or to any similar or related object.

COMPANIES REGISTER AND REGISTRATION NUMBER

Rémy Cointreau is registered under number 302 178 892 in the Angoulême Trade and Companies Register (APE code 7010Z) and the following LEI code: 5493004V6A3Z027YT216.

PLACE OF INSPECTION OF THE COMPANY'S LEGAL DOCUMENTS

Legal documents (Articles of Association, minutes of the Shareholders' Meeting, Statutory Auditors' reports and other corporate documents) may be inspected, ideally on the Company's website: www.remy-cointreau.com or, where necessary, and only by appointment, at the Company's registered office for which the address is provided above (the reception is located 20, rue de la Société Vinicole, 16100 Cognac) or at the Company's headquarters (21, boulevard Haussmann, 75009 Paris).

The Rémy Cointreau Universal Registration Document filed with the AMF, together with the Company's press releases regarding sales and results, the annual and half-yearly reports, the Company and consolidated financial statements, and the information regarding transactions in treasury shares and the total number of shares and voting rights may be viewed on the Company's website, at the following address: www.remy-cointreau.com

9.2 Articles of Association

The full Articles of Association can be found on the Company's website: www.remy-cointreau.com

FINANCIAL YEAR

The Company's financial year commences on 1 April and ends on 31 March of the following year. The year runs for 12 months.

DISTRIBUTION OF PROFITS UNDER THE ARTICLES OF ASSOCIATION

Out of the Company's profits in each financial year, after setting aside a provision to establish the legal reserve, which must be at least equal to the minimum required, the Shareholders' Meeting may, profit permitting and on the proposal of the Board of Directors, allocate the profit to one or more reserve funds for which it regulates the allocation or use, carry forward or distribute as dividends among the shareholders.

After reviewing the reserves at its disposal, the Shareholders' Meeting may decide to distribute amounts drawn from these reserves. In this event, the decision should expressly specify which reserve accounts have been drawn down.

DIVIDENDS

The dividends distributed over the last five years are disclosed in section 6.6.

The dividend policy, featured by its regularity over the last 20 years, is also presented at the beginning of this document.

Lastly, please note that Article 27 of the Company's Articles of Association, on dividends, provides for the following:

In the event that the Company's financial statements for the year, as approved by the Shareholders' Meeting, show a distributable profit, the Shareholders' Meeting resolves to allocate said amount to one or more reserve funds for which it regulates the allocation or use, carry it forward or distribute it as dividends.

After reviewing the reserves at its disposal, the Shareholders' Meeting may decide to distribute amounts drawn from these reserves. In this event, the decision should expressly specify which reserve accounts have been drawn down. However, dividends are drawn in priority from the distributable profit for the financial year.

Terms governing the payment of dividends are set by the Shareholders' Meeting or, failing this, by the Board of Directors.

However, dividends must be paid no later than nine months after the balance sheet date.

The Shareholders' Meeting called to approve the financial statements for the year may give all shareholders, an option to receive the payment of the distributed dividend, in part or in full, either in cash or in shares.

The share-based payment offer, the price and terms of issue of the shares, as well as the share-based payment request and terms for carrying out the capital increase will fall under French law and regulations.

In the event that the balance sheet, drawn up in or at the end of the financial year and certified by the Statutory Auditors, indicates that the Company, as from the balance sheet date and after having set aside the amounts required for depreciation, amortisation and provisions and, where necessary, after having deducted any previous losses and amounts allocated to reserves as provided for by law or these Articles of Association, has generated profits, the Board of Directors may decide to distribute interim dividends before the financial statements are approved and set the amount and allocation date. The amount of these interim dividends may not exceed the amount of profit as defined in this paragraph.

SHAREHOLDERS' MEETING

Shareholders' Meetings are called and held under the conditions stipulated by law.

These meetings are held either at the registered office or at another venue specified in the Notice of meeting.

RIGHT OF ADMISSION TO MEETINGS

Pursuant to Article R. 225-85 of the French Commercial Code, the only people allowed to attend a meeting, to vote by post or to be represented, are shareholders who have previously furnished evidence of their status by an accounting record of securities in their name or in the name of an intermediary recorded for their account, on the second working day preceding the meeting by midnight, Paris time, either in registered share accounts held for the Company by its service provider, Société Générale, service assemblées générales, CS 30812, 44308 Nantes CEDEX 3, France, or in the bearer securities accounts held by an authorised intermediary, who holds their securities account. The registration or recording of bearer securities on the books of the authorised intermediary must be attested to by a certificate of shareholding issued by the latter, attached to the postal voting or proxy form, or to the application for an admission card in the name of the shareholder, or on behalf of the shareholder represented by the registered intermediary. A certificate is also issued to shareholders wishing to participate in person in the meeting and who have not received their admission card on the second working day preceding the meeting by midnight, Paris time.

VOTING RIGHTS AND CONDITIONS

Share voting rights are in proportion to the share of capital that they represent. At equivalent nominal value, each share entitles the holder to one vote.

However, a share entitles the holder to a double vote, in relation to the share capital that it represents, in the following cases:

- for all fully paid shares held in registered form in the name of the same shareholder for at least four years;
- for each registered share allotted free of charge to a shareholder, in the event of a capital increase by way of incorporation of reserves, profits or premiums, on the basis of existing shares for which such shareholder already enjoys double voting rights.

This double voting right ceases for all shares converted to bearer shares or whose ownership is transferred. However, the four-year timeframe set is not affected for acquired rights by any transfer by succession, liquidation of joint estate of spouses, or *inter-vivo* gifts, for the benefit of an inheriting relative. The same rules apply for transfer following a merger or share split of a corporate shareholder.

Shareholders may, on a decision by the Board of Directors, may participate in Shareholders' Meetings by video-conference or vote by any electronic means of communication, including the Internet, in accordance with applicable regulations in force at the time of use. This decision is indicated in the meeting notice published in the French official gazette (BALO).

DECLARATION OF CROSSING OF THRESHOLDS

In accordance with the Articles of Association and independently of the legal requirements, any natural person or legal entity, acting either alone or in concert, who acquires in any manner whatsoever, as set out in Articles L. 233-7 *et seq*. of the French Commercial Code, a fraction equal to one per cent (1%) of the share capital or voting rights, or any multiple of this percentage, must notify the Company of the total number of shares and voting rights held within eight trading sessions of crossing one of these thresholds. This also applies in the same conditions as those described above each time that the fraction of share capital or voting rights held falls below one of the thresholds stated above.

In addition, this person must also specify in their disclosure to the Company:

(i) the number of shares owned giving future access to shares to be issued and the associated voting rights;

(ii) existing shares or the voting rights it may acquire under an agreement or financial instrument as outlined in Article L. 211-1 of the French Monetary and Financial Code, without prejudice to the provisions of 4° and 4°*bis* of I of Article L. 233-9 of the French Commercial Code.

In the event of non-compliance with the aforementioned provisions, and at the request of one or more shareholders holding at least 1% of the Company's share capital, shares exceeding the fraction that should have been declared will be deprived of voting rights at any Shareholders' Meeting that takes place until the end of the statutory and regulatory period following the date on which notification is made.

IDENTIFICATION OF SHAREHOLDERS

The Company is entitled to request, in accordance with the legal and regulatory terms and conditions, the full identity of those shareholders holding shares that give rise, immediately or in the future, to voting rights.

In order to identify shareholders, the Company is entitled to request from the share registrars at any time and at its own expense, as applicable, the name or corporate name, nationality, year of birth or establishment, and address of holders of securities that confer the right immediately or in the future to vote at the Company's Shareholders' Meetings, as well as the number of securities held by each of them and, where applicable, the restrictions that may apply to those securities and more generally to make use of the provisions of Article L. 228-2 of the French Commercial Code concerning identification of holders of securities that confer the right immediately or in the future to vote at the Company's Shareholders' Meetings.

9.3 Information incorporated by reference

Pursuant to Article 28 of (EC) regulation No. 809/2004, the following information is incorporated in this document for reference purposes:

- the consolidated financial statements for the 2018/2019 financial year, prepared in accordance with IFRS, together with the related Statutory Auditors' report, can be found on pages 207 to 211 of the registration document filed with the AMF on 28 June 2019 under number D.19-0618;
- the consolidated financial statements for the 2017/2018 financial year, prepared in accordance with IFRS, together with the related Statutory Auditors' report, can be found on pages 142 to 194 of the registration document filed with the AMF on 29 June 2018 under number D.18-0622;
- Rémy Cointreau SA's financial statements for the 2018/2019 financial year, prepared in accordance with French legislation, together with the related Statutory Auditors' report, can be found on pages 228 to 231 respectively of the registration document filed with the AMF on 28 June 2019 under number D.19-0618;
- Rémy Cointreau SA's financial statements for the 2017/2018 financial year, prepared in accordance with French legislation, together with the related Statutory Auditors' report, can be found on pages 196 to 212 respectively of the registration document filed with the AMF on 29 June 2018 under number D.18-0622.

9.4 Statement by the person responsible for the registration document and annual financial report

"I hereby certify that, to the best of my knowledge, and after taking all reasonable measures to this end, the information contained in this registration document is accurate and contains no omissions likely to affect the import of that information.

I hereby certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the net assets, financial position and results of the Company and of all companies included in the scope of consolidation, and that the management report, included in this document, in accordance with the cross-reference table, provides a true and fair view of the business trends, results and financial position of the Company and of all companies included in the scope of consolidation, together with a description of the main risks and uncertainties that they face.

I have obtained a letter from the Statutory Auditors, upon completion of their work, in which they state that they have verified the information relating to the financial position and financial statements, as provided in this registration document, and have read the registration document in full.

The historical information presented in this document is covered in the Statutory Auditors' reports on pages 235 and 257 for the 2019/2020 financial year and incorporated by reference in this document for the 2018/2019 and 2017/2018 financial years."

Éric Vallat,
Chief Executive Officer of Rémy Cointreau

9.5 Persons responsible for the audit and fees

9.5.1 Current mandates

Alternate Statutory Auditors

Firm	PriceWaterhouseCoopers Audit 63, rue de Villiers 92208 Neuilly-sur-Seine CEDEX, France	Auditeurs & Conseils Associés 31, rue Henri-Rochefort 75017 Paris, France
Represented by	Olivier Auberty	François Mahé
Date of first appointment	24/07/2018	26/09/1990
Date appointment renewed	-	24/07/2014
Date appointment expires	Shareholders' Meeting to consider the 2024 financial statements	Shareholders' Meeting to consider the 2020 financial statements

Alternate Statutory Auditors

Holder		Pimpaneau et Associés 31, rue Henri-Rochefort 75017 Paris, France
Date of first appointment		26/09/1990
Date appointment renewed		24/07/2014
Date appointment expires		Shareholders' Meeting to consider the 2020 financial statements

9.6 Cross-reference tables

9.6.1 Cross-reference table with the headings of annex 1 of EU regulation 809/2004

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1.	**Persons responsible**	**317**	**9.4**
2.	**Statutory Auditors**	**317**	**9.5**
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3.2	Interim financial information	n/a	n/a
4.	**Risk factors**	**92-107**	**2.2**
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6.4	Any dependence on patents or licences, industrial, commercial or financial contracts or new manufacturing processes	92-107	2.2
6.5	Competitive positioning	12-15	IR
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8.	**Property, plant and equipment**		
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10.2	Source and amounts of the issuer's cash flows	179-180	4.3
10.3	Borrowing requirements and funding structure	206-209, 215	5.6 note 12 and note 15.6
10.4	Restrictions on the use of capital resources	n/a	n/a
10.5	Anticipated sources of funds	n/a	n/a
11.	**Research and development, patents and licences**	**n/a**	**n/a**
12.	**Trend information**	**26, 182**	**IR, 4.6**
13.	**Profit forecasts or estimates**	**n/a**	**n/a**

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15.	**Remuneration and benefits**		
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16.	**Board practices**		
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16.3	Information on the Audit Committee and the Remuneration Committee	135-139	3.2.4
16.4	Corporate governance regime	114-115	3.1
17.	**Employees**		
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17.2	Shareholdings and stock options	146-150, 205	3.5.2, 5.6 note 11.3
17.3	Arrangements involving the employees in the capital of the issuer	264-265	7.1.3
18.	**Major shareholders**		
18.1	Shareholders owning more than 5% of the share capital and voting rights	270-271	7.2.1
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18.4	Arrangements known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer	273-275	7.2.1
19.	**Related-party transactions**	**307-311**	**8.5**
20.	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**		
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20.2	*Pro-forma* financial information	n/a	n/a
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20.5	Age of latest financial information	314	9.1
20.6	Interim and other financial information	n/a	n/a
20.7	Dividend policy	31, 256	IR, 6.6
20.8	Legal and arbitration proceedings	175, 209-210	4.1.7, 5.6 note 13
20.9	Significant change in the issuer's financial or trading position	n/a	n/a

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21.1.3	Shares held by the issuer or its subsidiaries	267-269	7.1.4
21.1.4	Convertible securities, exchangeable securities, or securities with warrants	n/a	n/a
21.1.5	Acquisition rights, capital subscribed but not paid in, undertakings to increase capital	264-267	7.1.3
21.1.6	Options on the capital, and agreements providing for placing the capital under option	n/a	n/a
21.1.7	History of the share capital	267	7.1.3
21.2	Memorandum and Articles of Association		
21.2.1	Corporate purpose	314	9.1
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21.2.3	Rights, preferences and restrictions attaching to each class of the existing shares	315-316	9.2
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21.2.5	Conditions governing Shareholders' Meetings	315-316	9.2
21.2.6	Provisions liable to delay, defer, or prevent a change of control of the issuer	n/a	n/a
21.2.7	Provisions governing the ownership threshold above which shareholder ownership must be disclosed	316	9.2
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22.	**Material contracts**	**307-311**	**8.5**
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9.6.2 Cross-reference table for use with the annual financial report

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5.	**Management report**		
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7.	**Report of the Chairman of the Board of Directors on governance and internal control**	**114-168**	**3**
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9.6.3 Cross-reference table for use with the management report

Reference texts		Comments on the financial year	Page number	Chapter number
French Commercial Code	L. 225-100, L. 225-100-2, L. 232-1, L. 233-6 and L. 233-26	Objective and comprehensive analysis of change in the business, earnings and financial position of the Company and Group	172-182	4
French Commercial Code	L. 225-100 and L. 225-100-2	Key performance indicators of a non-financial nature relating to the specific activity of the Company	72-73	1.4
French Commercial Code	L. 233-6	Significant stakes acquired during the year in companies with their registered office in France	n/a	n/a
French Commercial Code	L. 232-1 and L. 233-26	Important events occurring between the balance sheet date and the date of the report	182	4.5
French Commercial Code	L. 232-1 and L. 233-26	Foreseeable change in the situation of the Company and the Group	182	4.6
French General Tax Code	243 *bis*	Dividends paid in respect of the last three financial years and the amount paid in respect of said financial years eligible for the allowance of 40%	256	6.6
		Elements of presentation of the Group		
French Commercial Code	L. 225-100 and L. 225-100-2	Description of the principal risks and uncertainties that the Company faces	92-106	2.2
French Commercial Code	L. 225-100 and L. 225-100-2	Use of financial instruments by the Company: objectives and policy for the management of financial risks	100, 211-215	2.2.3.3 5.6 note 15
French Commercial Code	L. 225-100 and L. 225-100-2	Company exposure to price, credit, liquidity and cash risk	100, 211-215	2.2.3.3 5.6 note 15

Reference texts		Comments on the financial year	Page number	Chapter number
French Commercial Code	L. 225-102-1, L. 225-102-2 and R. 225-104	Social and environmental consequences of the activity (including "Seveso" facilities)	46-69, 106	1.3.2, 1.3.3, 2.2.5.2
French Commercial Code	L. 232-1	Research and development activities	n/a	n/a
		Items bearing on corporate governance		
French Commercial Code	L. 225-102-1	List of all holdings held in any company by each of the Board members during the year	116-131	3.2.1
French Commercial Code	L. 225-102-1	Total remuneration and benefits of all kinds paid to each corporate officer during the year	145-163	3.5
French Commercial Code	L. 225-102-1	Commitments of all kinds made by the Company for the benefit of its corporate officers, corresponding to remuneration, allowances or benefits due or liable to be due upon the assumption, termination or change of these functions by the persons in question or subsequent thereto	145-163	3.5
French Commercial Code	L. 225-184	Options granted, subscribed or purchased during the year by the corporate officers and each of the top ten employees of the Company who are not corporate officers, and options granted to all eligible employees, by category	n/a	n/a
French Commercial Code	L. 225-185	Conditions for the exercise and conservation of options by executive officers	n/a	n/a
French Commercial Code	L. 225-197-1	Conditions for the retention of bonus shares awarded to executive officers	146-151, 264-267	3.5.2, 7.1.3
French Financial Code	L. 621-18-2	Transactions by executives and related parties on the Company's shares	163	3.5.6
		Information on the Company and the capital		
French Commercial Code	L. 225-100-3	Rules applicable for the appointment and replacement of members of the Board of Directors or Executive Board and for amendments of the Articles of Association of the Company	116-119, 133-134	3.2.1, 3.2.3
French Commercial Code	L. 225-100-3	Powers of the Board of Directors or the Executive Board, in particular to issue or repurchase shares	264-267	7.1.3
French Commercial Code	L. 225-211	Detail of purchases and sales of treasury shares during the year	267-269	7.1.4
French Commercial Code	R. 228-90	Any adjustments to securities giving access to the capital in the event of share buybacks or financial transactions	n/a	n/a
French Commercial Code	L. 225-100	Table summarising the authorisations currently in force granted by the Shareholders' Meeting to the Board of Directors or Executive Board in respect of capital increases	264-267	7.1.3
French Commercial Code	L. 225-100-3 and L. 233-13	Structure of and change in the Company's capital	270-271	7.2.1
French Commercial Code	L. 225-100-3	Statutory restrictions on the exercise of voting rights and share transfers or agreement clauses brought to the knowledge of the Company	271-275, 315-316	7.2.1, 9.2
French Commercial Code	L. 225-100-3	Direct or indirect shareholdings in the capital of which the Company has knowledge	270-275	7.2.1

Reference texts		Comments on the financial year	Page number	Chapter number
French Commercial Code	L. 225-102	State of employee shareholdings in the share capital on the last day of the financial year and the proportion of capital represented by the shares held by employees under the Company savings plan and by employees and former employees in company mutual funds	270	7.2.1
French Commercial Code	L. 225-100-3	List of holders of any shares with special control rights and description thereof	270-271	7.2.1
French Commercial Code	L. 225-100-3	Control mechanisms provided under a potential employee shareholding scheme in the event control rights are not exercised by employees	n/a	n/a
French Commercial Code	L. 225-100-3	Agreements between shareholders of which the Company is aware and which may result in restrictions on the transfer of shares and the exercise of voting rights	271-275	7.2.1
French Commercial Code	L. 225-100-3	Agreements concluded by the Company that are modified or terminated in the event of a change of control of the Company, unless such disclosure, except in the case of a legal duty of disclosure, would seriously harm its interests	277	7.3
French Commercial Code	L. 225-100-3	Page Chapter Reference texts Comments on the financial year Page number Chapter number Agreements providing for compensation for members of the Board of Directors, senior management or employees if they resign or are dismissed without just cause or if their employment ceases because of a public offer	153-155, 159	3.5.4
French Commercial Code	L. 464-2	Injunctions or penalties for anti-competitive practices	n/a	n/a
		Items bearing on the financial statements		
French Commercial Code	L. 232-6	Any changes in the presentation of financial statements or in the valuation methods used	192-194	5.6 note 1
French Commercial Code	R. 225-102	Results of the Company over the last five financial years	256	6.6

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